# THE WORLD TODAY

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THE WORLD TODAY, *founded in 1945, is issued under the auspices of the Royal Institute of International Affairs and published monthly by the Oxford University Press*

**Annual subscription** *from Jan. 1982* (post free)
*UK £12*
*US $34*
*Elsewhere £15*

**Single copies** (post free)
*UK £1.20*
*US $3.40*
*Elsewhere £1.50*




*Orders may be sent to booksellers and newsagents or to the Oxford University Press, Journals Department, Walton Street, Oxford OX2 6DP, UK. Tel. 0865 56767*




ISSN 0043-9134

ROYAL INSTITUTE OF INTERNATIONAL AFFAIRS

# THE WORLD TODAY

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**January 1982** **Vol. 38 No. 1**

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Manuscripts and correspondence should be addressed to the Editor, *The World Today*, Royal Institute of International Affairs, Chatham House, 10 St James's Square, London SW1Y 4LE.

# Note of the month

## CANADA: A COSTLY VICTORY?

*The UK perspective*

ROUND Two of the Canadian constitutional debate is due to begin shortly in the UK, but how different the present atmosphere of calm when compared with the anxiety with which Trudeau's constitutional package was awaited last autumn. Then the air had been thick with reports of 'Britbashing' by Canadian MPs, lobbyists for the provincial cause busied themselves in Westminster, the contents of the leaked Pym–MacGuigan discussions added fuel to the fire and accusations and counter-accusations crossed the Atlantic.

In the midst of controversy, the Foreign Affairs Committee of the House of Commons, chaired by Sir Anthony Kershaw, met to consider how the British Parliament should react to a request from the Canadian Federal Government for the patriation of a constitutional package which manifestly lacked provincial support. After hearing and sifting much evidence, the Committee issued a report in January 1981 which drew the following conclusions. In a federal system, both federal government and provinces enjoy certain independent spheres of responsibility. The Canadians' request in 1931 that the UK should pass amendments affecting federal and provincial powers gave the UK a trustee role in guarding the federal balance of powers against incursions from either side. Unilateral federal action would make a nonsense of the UK's role and of the spirit of federalism. Similarly, if the UK were intended to be no more than a rubber stamp for federal requests, the effect would not differ from unilateral federal action and it would be hard to see why the provinces had felt their rights more securely protected in Westminster than in Ottawa. Parliament, the Committee decided, might not discuss the contents of the package, but it must be able to determine whether the request was constitutionally proper, i.e. whether it conveyed 'the clearly expressed wishes of Canada as a federal whole'.

These conclusions pleased the provinces but left British MPs in a quandary. Advice from the Minister of State urged them to follow precedent when precedent was confused; advice from Trudeau urged them to pass his request 'holding their noses', but since the nose-holding was not over the contents of the Bill, there was something rather odd in asking British MPs to perform a constitutional task unconstitutionally. An audible sigh of relief therefore accompanied Trudeau's agreement to put the questions, which the eight dissenting provinces had been arguing in provincial Courts of Appeal, before the Supreme Court.

*Balanced justice*

The Supreme Court judges were divided in the conclusions they reached this autumn but their majority verdicts in each case must have gratified members of the Kershaw Committee since, focusing on constitutional form as Kershaw had done rather than on political content, they reached many of the same conclusions. On the other hand, they also vindicated the predictions contained in the Canadian

Cabinet memorandum, leaked to the press during the summer of 1980, which advocated unilateral federal action on the grounds that the Court might well decide that 'the patriation process was in violation of established conventions and therefore in one sense "unconstitutional" even though legally valid.'

The judges were unanimous only in their agreement that the proposed federal package did affect the federal–provincial balance of power. The government had initially claimed that this was not so, but in referring their request to the UK, they had already implicitly recognized that it was a matter falling within sections 91 and 92 of the British North America Act and as such affecting the federal–provincial relationship. The second issue concerned whether provincial assent was required by law before an amendment to the Constitution could be requested of Westminster. Here the judges ruled 7:2 that there was no legal requirement of this sort. The provinces had based their case on the argument that convention over time might be said to 'crystallize' into law, but according to the judges, 'the law knows nothing of the requirement of provincial consent'. The final question put to the Court was whether, aside from the legal issue, there was nevertheless a constitutional convention requiring the Government to obtain provincial agreement for constitutional amendments submitted to Westminster. To this a majority of 6:3 answered in the affirmative. 'Some conventions may be more important than some laws. Their importance depends on that of the value or principle which they are meant to safeguard. Also they form an integral part of the Constitution.' The judges argued the existence of a convention in this case firstly on the grounds of precedent. In addition, they pointed out that the actors involved in such amendments in the past had considered themselves bound by the convention in question, the Government's 1965 White Paper providing a case in point. The Court did not believe that convention demanded provincial unanimity, but settled instead for a 'substantial measure' of provincial consent. Lastly, the judges found support for the convention of provincial agreement in the spirit of federalism. 'It is true that Canada would remain a federation if the proposed amendments became law. But it would be a different federation made different at the instance of a majority in the... Federal Parliament acting alone. It is this process itself which offends the federal principle.'

After such a ruling, while the Justice Minister, Jean Chrétien, might claim a victory for the Government on the basis of the second answer, Prime Minister Trudeau was forced back to the negotiating table as a result of the third.

*The political fall-out*

The agreement reached on 5 November between Trudeau and nine provincial Premiers involved a new amending formula and an altered Charter. Trudeau, who had apparently embarked on his course with patriotic passion, impatience and missionary zeal, revealed once again his enormous capacity for compromise. The provinces won a significant concession with Trudeau's acceptance of a modified Vancouver formula, a formula they had favoured because they felt that in demanding the agreement of at least seven provinces while still permitting dissident provinces to 'opt out', it recognized the equality in constitutional affairs of federal and provincial governments. Especially important for Western Canada was the

removal of the veto, which Ontario and Quebec enjoyed under the Victoria formula, and the deletion of the referendum provisions. The Western provinces have only recently discovered their economic clout and are determined that this should not be eroded by the political–electoral dominance of Ontario and Quebec. The referendum, in particular, was seen as a mechanism which might be used to deprive Western Canada of its resource wealth. It now seems likely that with these changes, Western separatism, which surfaced briefly last year and which fed on an impression of combined importance and impotence, will subside, as will some of the tensions caused by the sense of isolation and 'disenfranchisement' experienced in the West as a result of the lack of any Liberal MPs from Western Canada in the federal Parliament. On the East Coast, Newfoundland pressed for, and obtained, the qualification to mobility rights dear to its heart which enables a province to implement affirmative action programmes for the socially and economically disadvantaged, provided that its employment rate is below the national average.

The Indians have been less satisfied with the outcome. Despite the undertaking to hold a constitutional conference within a year which will include discussion of aboriginal rights, and the reinstatement of the clause in the Constitution confirming these rights, they are unhappy that only 'existing' rights should be guaranteed, and they have embarked on legal action to prove that further obligations, incurred under the treaty by the Crown, are still owed to them by the British Government.

The most politically significant outsider to the constitutional accord, however, is Quebec. A number of concessions were made to Quebec in the course of the negotiations, designed to recognize its distinctive linguistic and cultural status: thus fiscal compensation has been made automatic for provinces opting out of amendments affecting only educational and cultural matters; provincial unanimity has been made a requirement for any further changes in the use of English or French; the impact of the clause regarding minority language rights has been postponed in respect of Quebec. Disappointingly, Quebec's Premier, Mr Lévesque, felt unable to sign and instead left the negotiations accusing his fellow-Premiers of betrayal. This has been followed, predictably enough, with separatist rallies in Quebec and calls for outright sovereignty. Trudeau had hoped, following the vote of May 1980 against sovereignty-association, that in the course of patriating the Constitution he would be able to integrate Quebec more fully into the Canadian federation by guaranteeing Quebec's privileges but placing them in the context of nationally applicable rights. As it is, anglophone Canada has signed the constitutional accord, the Canadian Parliament has passed it, and there can be little doubt that it will be passed in this country as well. Trudeau has therefore achieved his desire of going down in history as the man who brought home the Constitution, but what of the integration of Canada? Has patriation simply succeeded in further alienating Quebec—or just its separatist Premier? Newfoundland's Premier Peckford declared after signing the accord, 'I have never felt more Canadian.' It is regrettable that it must once again be a Canada in which Quebec stands isolated.

FRANCES MORRIS-JONES*

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# Saudi Arabia: a more visible role in the Middle East

ROBERT LACEY

### The Awacs deal

THE decision of the United States to sell Saudi Arabia airborne warning and control systems (Awacs) and President Reagan's successful shepherding of the package through Congress was important for the Middle East at several levels. It represented a victory for the Arabs over pro-Israeli pressures in Washington; it was perceived as re-establishing presidential control over the conduct of US foreign policy—though only just. But, in military terms, the importance of the deal was that it involved more than radar planes. America also agreed to sell Saudi Arabia Sidewinder air-to-air missiles, 'fast pack' conformal fuel tanks and Boeing KC135 aerial refuelling aircraft—a package which, when delivered, will dramatically enhance the capabilities of the 60 McDonnell Douglas F-15 fighter bombers ordered by Saudi Arabia in 1978.

It is these previously ordered F-15 fighter bombers which make the prospect of Saudi-manned Awacs flying out of Riyadh so significant, for the Awacs do not simply warn. Having spotted danger, they are equipped to co-ordinate an active response by F-15 fighters from the ground. Thus the Awac's package lends reality to Saudi Arabia's wish to protect its oilfields against external attack and it also means that this vital economic resource will one day be protected by a weapons system which can be reinforced from the West with relative ease. No one imagines, the Saudis least of all, that the present military package could withstand a sustained attack on the scale that the Russians are capable of launching. But the hope is that the promised number of Awacs and F-15s might delay such an attack until reinforcements could arrive; and since, in military terms, a more likely threat to the Kingdom would come from some power in the local arena, the new deal also means that, in the air at least, Saudi Arabia should one day be the match of any of its neighbours.

This, of course, has been the basis of Israeli objections to the Awacs sale, for Tel Aviv has raised the spectre of Saudi-controlled Awacs planes spying on Israel and co-ordinating F-15 attacks against its soil, and there are arguments for and against the likelihood of this actually occurring. The Israelis point to the newly promised fuel tanks and aerial refuelling facilities, which will make it possible for F-15 fighters to fly to Israel and return from Saudi bases. Those who believe the Israelis are being alarmist stress the essentially defensive purpose of the system, and the fact that the Saudis still have not been promised any air-to-ground missiles

Mr Lacey is the author of *The Kingdom* (London: Hutchinson, 1981), a survey of Saudi history from 1880 to 1980 as told through the story of the House of Saud. He lived for 18 months in Saudi Arabia. This article is based on a recent talk delivered at the Royal Institute of International Affairs, Chatham House.

with which they could actually strike at Israeli targets; the Kingdom is not due to take delivery of its new weaponry for some years, and even then it will be some time before Saudi crews can be recruited and trained to an adequate standard. So, if the new weaponry does represent a threat to Israel, according to this argument, it is not likely to be an effective one until the early 1990s.

I myself subscribe to this latter point of view. It will be a long time before Saud Arabia becomes an effective front-line state, and it is not in the House of Saud's nature to welcome the exposure which that involves. But I still find Israel's fears for its own security to be well based. The fact that the Saudis will have to wai some time for their weapons, and some time after that before they can handle them effectively, does not diminish their ultimate military significance from Israel's point of view. Nor is this significance affected by the suggestion made by some, that the Awacs are overrated as weapons.

No military planner worth his salt can afford to base his strategy on the possibility that the other side's weapons may not work. The Awacs/F-15 system has to be accepted at face value as one of the most lethal and effective weapons systems in the world, and the fact that the Saudi F-15s are only scheduled at present to operate as fighters, not bombers, does not diminish the threat which they represen to Israel's mastery over its own airspace and that of its neighbours. The Awacs issue was fiercely contested by both sides precisely because both realized that it represented a significant shift in the Middle East power balance; and while we cannot quantify exactly the size and timing of the shift, that does not mean that we should doubt its reality.

**Power shift**

The modern history of Saudi Arabia can be seen as a progressive politica realization of the underlying economic power it derives from controlling one quarter of the oil on earth: the foundation of the Organization of Petroleun Exporting Countries (Opec), the nationalization of Aramco, the successive boycotts culminating in King Faisal's successful oil embargo of 1973, the slide of the Arab centre of gravity from Cairo towards Riyadh, all these reflect the growing economic strength of the House of Saud—and the willingness of an America President to devote several weeks of his time to making sure he can give the A Saud what they have asked for is one more manifestation of this.

But the Awacs deal seems to me to represent more than just another step in this direction which alarms Israel so greatly. It shifts developments on to a new level for once the Kingdom has taken delivery of its new weapons and has learnt to operate them itself, it will have become, for the first time and for ever a front-line protagonist in the Arab-Israeli conflict. The greatest available military power will be in the hands of the richest of all the Arab states, and this will make a dramatic difference to the way in which Middle Eastern diplomacy and hostilities will henceforward be conducted.

The last two Arab-Israeli wars both began with pre-emptive strikes. In 1967, it was Israel which took Egypt by surprise. In October 1973, it was the Egyptians who struck first, attacking the Israelis across the Suez Canal, and Israel's recent attack

upon the Iraqi nuclear reactor near Baghdad shows that the pre-emptive strike remains very much an element of Israeli strategy.[1] So when Saudi Arabia takes control of its own Awacs and enhanced fuel capacity F-15s, Israel will have no choice but to include Riyadh, Dhahran, al Kharj, Khamis Mushayt, Jeddah and Tabuk among its first-strike targets—and in November 1981 the Israeli Defence Ministry announced its intention of doing this.

Equally, Riyadh will have to adopt a new and more obvious line inside the Arab consensus to match its military might. Until now, it has been possible for the Saudis to speak brave words and to send subsidies to their Arab brethren fighting Israel. They have lent valuable support to the Arab cause, most notably in October 1973, when King Faisal helped finance Sadat's surprise attack across the Suez Canal.

But the Saudis have never had to go over the top themselves. When confrontations have been reached, there has never been any question of Saudi Arabia sending in its troops or planes in any number. Out of a total native population of 4–4·5 million, there can scarcely be a million Saudis of fighting age. The Kingdom has been able to act as a force for moderation, as honest brokers—and it is generally agreed that this is the role Saudi Arabia played in defusing the Syrian missile crisis earlier this year.

Now this role has only a limited life. Once the Kingdom actually holds in its own hands the power to maintain Arab 'face' in any possible confrontation, it can no longer act as a restraining force. The Al Saud will have no choice but to count themselves unequivocally among the hard-line Arab states or risk the charge from their fellow Arabs, and from their subjects, of cowardice or betrayal—and this is not a charge that any Arab government can incur lightly.

There is one more. and very alarming dimension to this. Mr Begin's destruction of the Iraqi nuclear reactor has probably delayed the production of an Arab atomic bomb by several years. But it has made the Arabs more determined than ever to secure such a weapon themselves: last July, Saudi Arabia announced that it would help the Iraqis to rebuild their reactor, and outside the Arab world Saudi Arabia has extraordinarily close economic and military ties with the regime of President Zia in Pakistan, the country from which it seems most likely that an Islamic bomb will first emerge.

So, as we look into the future of the Middle East, it seems highly likely that some time around the year 1990 Israel and Saudi Arabia will be facing each other armed with the most developed weapons that the United States can supply, manned by their own crews, their governments sensitive to the religious and ethnic fanatics who are known to exist in both countries, with both sides possessing nuclear weapons—quite probably weapons that can be plugged into their formidable American delivery system.

This is the pessimist's view of what Awacs will yield. What are the grounds for optimism?

[1] See Istvan Pogany, 'The destruction of Osirak: a legal perspective', *The World Today*, November 1981.

**Neutralizing domestic criticism**

The first encouraging sign is that there is now quite clearly a deadline befor which some sort of modus vivendi must be reached. As the stakes of war rise, we must dare hope that both Arabs and Israelis will become less and less inclined to risk all in a military confrontation, though this, of course, is the conventiona theory of deterrence, and that theory is going to get its ultimate testing in th passionate and irrational cockpit of the Middle East.

Secondly, there is the possibility that some secret bargain has been struck by th Saudis in return for their Awacs. Would President Reagan have gone to all tha trouble to sell them their planes simply for the sake of scoring a domestic politica victory?

The cynical view of recent American foreign policy unhappily suggests no mor than that. But taking a more positive view, it does seem possible that Crow Prince Fahad has promised to do what he can to push Yasser Arafat and th Palestine Liberation Organization (PLO) further down the road towards th recognition of Israel, though the setback which the Saudi peace plan suffered a Fez on 25 November shows how long and hard that road will be.

Having lived for quite a time in Saudi Arabia, I would see a third and mos welcome consequence of the Awacs victory, for though it was hailed generally a a triumph for President Reagan, it was also a triumph for Crown Prince Faha of Saudi Arabia, and in Middle Eastern terms this may prove more important since if any influential Arab leader outside Egypt has shown himself ready fo accommodation, it is Fahad.

I am not one of those who attaches credence to reports of violent policy dis agreements and personality clashes inside the House of Saud: they have thei differences like any Cabinet; they have their quarrels like any set of brothers But, on the whole, their record throughout this century—and even during th dark days of the disgraced King Saud in the 1950s—has been one of flexibility an cohesion. They have a remarkable instinct for survival. They have demonstrate a refined capacity to shift power into the hands of those most qualified to exercis it, and to keep power away from those who are effete, eccentric, or just plai dangerous.

The men who are at the heart of power in the Kingdom today—Crown Princ Fahad, Prince Sultan, Prince Abdullah, Prince Salman and Prince Naif, with Kin Khaled—have been working together now for nearly 20 years. Their most obviou quality is not quarrelsomeness but togetherness, and if Prince Fahad had not go his Awacs, that would not have been the end of him, nor would Saudi policy hav veered in a radically different direction.

Still, travelling to and from Saudi Arabia regularly for four years, and livin there for nearly two, I have been unfailingly struck by the unhappiness which th ordinary Saudi, and particularly the young Saudi, feels with the Kingdom's o policy. Western journalists make it their business to seek for signs of discord an unhappiness in Saudi Arabia—in a disaster-prone world you are on pretty saf ground if you foretell disaster—and my book *The Kingdom* has been criticized fo taking too rosy a view of the country's future. But I did find that the House of Sau

is at odds with its people over oil, and this disagreement is expressed in the simplest terms: the Royal family are criticized for selling too much of the Kingdom's basic asset too cheaply.

For many years Sheikh Ahmad Zaki Yamani used to point out to the West how Saudi Arabia would be much better off leaving its oil in the ground, rather than turning it into money which would be devalued by Western inflation: a couple of dollars shrewdly invested in 1970 might today be worth eight or ten dollars; a $2 barrel of oil left in the ground for 11 years would today be worth $34—and this is the chorus which every young Saudi student sings; I was incessantly told that if Saudi Arabia halved its oil production tomorrow, it would lose nothing at all, for the price of oil would double on the world markets—and if it did not, well, that did not matter very much either. It would mean smaller financial surpluses, less money in Western banks, fewer hostages to the Western banking system, less materialism and less Westernization inside Saudi Arabia.

This fiercely criticized oil policy is very seldom blamed upon the Oil Minister, Sheikh Ahmad Zaki Yamani. Young radicals dismiss him—quite wrongly in my opinion—as no more than a mouthpiece of the Royal family, and inside the Royal family the man they blame for squandering the nation's greatest treasure is Crown Prince Fahad. He does it, I was told, to curry favour with America, and in return America simply spits in his face, continuing to do real favours for Israel, which does nothing charitable for anybody.

Well, Saudi oil policy is a great deal more complex than that, and is soundly based, in my view, on the long-term Saudi need to maintain world dependence upon oil and to discourage the drift towards alternative forms of energy. But the Awacs victory does give Crown Prince Fahad something tangible and easily comprehensible to show in return for the pro-Western drift of his oil policies; it would have been very difficult for the Crown Prince credibly to push his family, his people or his fellow-Arabs towards any kind of peace process if he had not received some sort of favour from the West.

So the Awacs victory represents that favour and if, maintaining our optimism, we therefore view it as a step towards peace, two questions remain: first, how much of a peace can Crown Prince Fahad be expected to produce?; and, secondly, how realistic is it for us in the West to rely upon Saudi Arabia—and specifically upon the House of Saud—as the vehicle for achieving that peace?

### The Saudi peace plan

Crown Prince Fahad's eight-point peace plan emerged this summer in a typically low-key Saudi fashion. Apart from its implication that Arab recognition of Israel can be made available, it proposed nothing new, essentially stating the existing set of Arab demands from Israel.

Sadat's style was to make the grand gesture, then discuss the small print later. Fahad released his plan almost unnoticed and then did a great deal of quiet work behind the scenes personally lobbying European and Arab leaders trying to build a consensus.

At the time of writing, it is still not clear what the final Arab position on the plan

will be. Prince Fahad did not secure Arab endorsement from the Fez meeting of 25 November 1981, and if his plan cannot pick up significant support inside the Arab world, the House of Saud are not likely to push on with their proposals just for the sake of saving face. They have staked little more support or credibility on the plan than they have been able to gather from other people, and it was President Reagan and Lord Carrington, not Crown Prince Fahad, who placed the plan at the centre of Western discussion of Middle Eastern peace. This is both the strength of the Saudi plan, and its weakness—as was made clear at Fez. It can represent no more than other Arabs are prepared to make of it.

The two central points of Prince Fahad's plan concern the provision of a homeland for the Palestinians and a proper status for Jerusalem and the Muslim shrines there. But it has to be realized, as the Saudis certainly do, that their resolution ultimately lies outside the control of Saudi Arabia. It is quite pointless for Saudi Arabia to agree to any settlement about the Palestinians if the Palestinians themselves are not happy. Equally, as guardians of Mecca and Medina, the Saudis cannot agree to any compromise over the Muslim shrines in Jerusalem unless a majority of the millions of Muslims around the world are themselves agreeable to that compromise.

Here is another difference between the Saudis and Sadat. Sadat assumed at Camp David a mandate he did not possess to negotiate on behalf of the Palestinians. Crown Prince Fahad knows that his signature to any agreement on this issue is valueless unless Yasser Arafat's is there as well.

It is true that as paymasters of the PLO, the House of Saud can exercise more pressure upon Yasser Arafat than most other Arab leaders can. But Arafat is not a power unto himself, and Saudi leverage among the Palestinians can only operate so long as they remain on his side. The Kingdom's rulers would have little influence if they fell out with Arafat, since they could hardly back one of the more radical Palestinian leaders, and it would not be practicable for them to build up the position of any other moderate. So Prince Fahad's effective position when negotiating over Palestine cannot move very far ahead of anything that Arafat is willing to agree to.

The same constraints apply to any settlement over Jerusalem. The House of Saud created their empire in the name of religion, with no awareness of, and no appetite then for the oilfields which they happened to acquire in the process. Islam is at the very centre of their identity. The family itself, and the Kingdom as a whole, is prouder of Mecca and Medina than it is of all its oil wealth, and they could never accept not having the Muslim shrines in Jerusalem restored to Muslim hands.

So Prince Fahad's requirements for a settlement are not put forward as a conventional basis for bargaining, which the Saudis are expecting to barter away, conceding a point here and a point there, while hoping to squeeze concessions from the other side. It represents almost exactly what they want, and they are not inclined, nor are they in a position to accept very much less.

I interviewed Dr Henry Kissinger while I was researching my chapters on the 1973 oil embargo for *The Kingdom*, and he remarked on this rather special charac-

teristic of the Saudis: they do not put forward a public negotiating position from which they are expecting to retreat to a previously prepared private position, nor can they be coaxed in discussion to private concessions which might differ from their public posture. They appear to be conceptually incapable of acting in such a fashion.

In 1973–4 this meant that any concession which King Faisal made in his negotiations with Dr Kissinger became immediately operative; there were no second thoughts next day, no attempts to claw back lost ground. But such concessions were rare. The Saudis are hard bargainers, They share with the Israelis the conviction that, in the long run, God is on their side, and that makes for long-term negotiations. The issue of Jerusalem goes to the very roots of belief and identity on both sides.

**The long-term view**

The immediate consequence of this autumn's events in the Middle East has been to bring the House of Saud to the forefront of Western hopes for peace in the area. In twelve months' time this may prove a false perspective. President Mubarak may have assumed more fully the mantle of his predecessor. Prince Fahad may have failed to gain the Arab consensus without which he is not likely to pursue his peace proposals. But, in the long term, we have little choice but to rely upon the Kingdom as an essential element in any settlement. So, how long can the West continue to rely upon Saudi Arabia retaining its present moderate and reasonably pro-Western stance?

In my book, I devote one whole chapter to this question as couched in the conventional cataclysmic Western sense—Is Saudi Arabia the next Iran?—so here I will only summarize the reasons why I think that it is not:

(i) the close links between the House of Saud and fundamentalist Islam, as compared to the government–church hostility which existed in Iran;
(ii) the sheer size of the House of Saud, 4,000 of them, which means that if a lorry of soldiers drove past a reviewing stand in Riyadh tomorrow and machine-gunned the King, there are dozens of other able and powerful relatives who could step into the breach;
(iii) the difference between the Sunni and Shia traditions of Islam vis-à-vis the powers that be—there were no Saudi imams fighting beside the Grand Mosque rebels in 1979;
(iv) the small native population of Saudi Arabia, which is a disadvantage in some respects, but which does mean that everybody derives real benefit from oil wealth, despite its uneven distribution;
(v) the fact that the House of Saud are a homegrown creation, not foisted on the country through Western influence;
(vi) the traditions of family and tribal patronage, which mean that the business practices which scandalize some Western observers do not disconcert the Saudis so much, who benefit at many levels of society from this patronage.

Of course, other observers do not agree with the optimistic prognosis which I

draw for the House of Saud, and the question remains an open one, but I would make two additional points.

One American Senator opposing the Awacs sale is said to have complained that no country ruled by 2,000 cousins could possibly be described as stable, and he is right. But those of us who have visited the Kingdom know that it is not just run by the Royal family. It is run by a lot of other Saudis as well, not to mention the foreigners. It is a Western mistake in analysing Saudi Arabia to focus excessively upon the extraordinary phenomenon of the 4,000 princes and princesses who appear to defy the laws of history, politics, logic and even gravity. I believe that the Saudi Arabians could get on very nicely, if they had to, without the House of Saud, and if it were to be removed in some way that I myself cannot visualize, then I do not believe that the society in which I lived for 18 months would degenerate into the bloody chaos which has occurred in Iran.

As a Westerner, I did not greatly enjoy living in Saudi Arabia. So many aspects of daily existence there are hostile to Westerners, from the climate and cultural ambiance to the well-publicized restrictions on Western pleasures like alcohol and the removal of clothing in the sun. None the less, I found the society to be an organic one, civilized in its own terms and as compared with its neighbours. The notorious executions and amputations which take place under its traditional code of law give the Kingdom an image which tends to obscure the fact that, almost alone in the Arab and Islamic world, the government of Saudi Arabia neither murders nor tortures its opponents; nor does it rely upon imprisonment as a principal method of dealing with dissent. Bribery perhaps, violence no.

This reflects the style of the Royal family, but it also says something about the society as a whole, and we should not assume that the hypothetical disappearance or diminution of the House of Saud necessarily means the loss of Arabia to the West.

On the other hand, we should not assume that the House of Saud will continue to be as pro-Western as it is at present. The Awacs decision did not come a moment too soon. When people discuss radical, fundamentalist pressures inside Saudi Arabia, they forget that the House of Saud could very easily shift itself in a more radical direction. One of the mistakes which the Carter Administration made was its assumption that in the end, somehow, the House of Saud would go along with the Camp David process, simply because Washington set such store by it.

Unlike the Shah, the House of Saud care more what their fellow Muslims think about them than what the West thinks. Unlike Sadat, they are not visionary romantics willing to flout grass-root feeling in their own country or in the Arab world. This is why I personally rate the survival prospects of the House of Saud quite highly. But it also means that the Saudis are less likely then we might hope to participate in our Western ideas of the shape a Middle Eastern settlement should take.

The assassination of Anwar Sadat proved once again how dangerous it is for any Arab leader to become identified as a friend of the West. Western enthusiasm for Prince Fahad's peace plan may already have proved the kiss of death to that particular initiative, and the Awacs 'victory' did not help the Kingdom's relations with its radical Arab brethren who already look askance at the US-owned Awacs stationed in Riyadh. These are serviced by 500–600 US military personnel living,

at Saudi expense, in a couple of five-star Marriott hotels, and if these Americans were living in little huts surrounded by barbed wire they would be called an American base. It is clever of the Saudis to keep them as contract workers like any others who can be sent home when their contract is terminated, but the mistrust they have aroused among radical Arabs is a warning of the risk the Kingdom is running in its willingness to help a peace process which must involve, eventually, compromise with the hated Israelis.

So far the Saudis have made no compromise with Zionism—unlike the Shah. He actually sold oil to Israel, the conquerors of Muslim Jerusalem. Anwar Sadat's great sin in the eyes of his fellow-Arabs was not that he tried to get back land for Egypt but that, naïvely or deliberately, he helped win time for Menachem Begin in Jerusalem and on the West Bank.

It is a matter of principle for the Saudis not to make any such compromise. It is also a question of survival. It may not seem so to the West, but Prince Fahad's eight-point peace plan with its veiled hint at recognition for Israel was the Saudi equivalent of Sadat's journey to Jerusalem. We should not expect much more, and the Arab hostility which it generated at Fez shows that we may, for some time, have to make do with much less.

# The industrial revolution in Mongolia

MICHAEL KASER

On an afternoon in June 1981, the writer was driven 30 kilometres eastward on rough tracks from the principal North-South road across Mongolia to view the breathtaking ravine of Zulzagiin Gol and the profusion of flora amid the sandstone crags. Fresh, if sparse, grass stretched on either side and to the north as far as distant mountains: yet on all that journey, and back by a variant route to visit a neat tourist motel, he saw only two tents to signify current habitation. The scarcity of humans in that landscape seemed to illustrate as much as the more famous and still less habitable Gobi Desert the crucial Mongolian statistics, that a population of 1,500,000 dwell in 1,500,000 square kilometres, or one man, woman or child per square kilometre. That very area also illuminated Mongolia's contemporary industrial revolution, for nearby was the new town of Darkhan, its site an empty steppe until 1959 but today housing nearly 60,000 and producing 13 per cent of the country's industrial output.[1] Darkhan produces virtually all the suede

[1] The author was the delegate of the Anglo-Mongolian Society in June 1981 to a conference of the MPR Federation for Peace and Friendship with Foreign Countries to commemorate the 60th Anniversary of the Mongolian Revolution. The information on Darkhan was provided during a post-conference tour by the First Party Secretary of the City, Bold Porebjab.

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and sheepskin garments, ceramic isolation material, cement and confectionery of the country, nearly half its coal and a quarter of its building materials. Nor are resources lacking elsewhere: hardy cattle and horses graze at no cost over the grassland and semi-desert and the subsoil is already yielding copper, fluorspar, gold, molybdenum and wolfram, and is being prospected soon to provide phosphate, tin and zinc. Geological survey has already covered 95 per cent of the territory and found 160 deposits of coal, 25 of iron, 50 of non-ferrous and rare metals and 30 of precious metals.[2] All that is needed is the manpower, the skill and the equipment, but few can be taken from the traditional sector of stockbreeding, for the paucity of population to resources is as evident there—15 head of livestock to every man, woman and child, but of whom half already live in towns.[3]

### The distant past

Left to themselves, the Mongolians would doubtless have remained nomadic stockbreeders as to the economy and coenobitic Buddhists as to society.[4] Conversion to Lamaistic Buddhism had changed the national characteristic from the belligerent expansionism of a Genghis Khan to the pacific torpor in which the Mongols slumbered until the twentieth century. The military dynamism of the thirteenth century is nevertheless not forgotten in today's Mongolia. The State Museum displays a map of the Mongol Empire at Genghis's death in 1227 as it was divided between his sons: stretching from the Yellow Sea westward to the Dnieper and from Lake Baikal south to Samarkand, it is virtually coterminous (ignoring the sparsely populated wastes of the Far North) with the two territories united by the political alliance of the Soviet Union and China between 1949 and 1961. In each historical case the period of unity was brief—21 years under Genghis and 12 in the case of the Sino-Soviet bloc.

The centuries that intervened inspire little in Mongolia's leaders and teachers today save reverence for their artifacts. Overt practice of the traditional religion has been almost completely eliminated—an observer on a week's visit can say nothing of private meditations—for there is but one open temple, that in the capital, out of nearly 700 monasteries before the Revolution. The Orthodox churches that served Russian traders or sought to proselytize the nomads have long been closed. Albania alone stands further along the road than Mongolia in the abolition of formal religion.

The quietism of the Buddhist ethos is alien to the dynamism of modern Mongolia, the motor of which is the Mongolian People's Revolutionary Party. The writer's assessment is that the managerial driving force is the Party *apparat*. The leader of Darkhan city is not the mayor but the Party First Secretary; the leader of

[2] *Sotsialisticheskaya Mongoliya* (Ulan Bator, 1981), p. 86. A sketch map of mineral deposits and statistics of mining and manufactured products to 1978 is to be found in M. Kahn, 'L'économie mongole à la fin des années 1970', *Le courrier des pays de l'Est*, January 1981, pp. 30–5.

[3] The fifty-fifty mark was passed in the late 1970s; by January 1980 there were 836,200 in towns against 803,500 in the countryside (*Narodnoe khozyaistvo MNR 1979*, Ulan Bator, 1980, p. 27).

[4] On the economics of the monastic life quite relevant to a study of feudal Mongolia, see P. Wiles, *Economic Institutions Compared* (Oxford: Blackwell, 1977), esp. pp. 90–4.

Darkhan State Farm is not the farm director, but the Party Secretary. These and other Party functionaries encountered were bursting with energy and authority; they seemed the entrepreneurs of socialist Mongolia.

**The successive waves of change**

The People's Revolutionary Party under Sukhe Bator came to power in admiration and emulation of Lenin's Bolsheviks, but Russian influence was already strong before the 1921 Revolution. The Tsarist government had despatched an Advisory Commission as soon as Mongolia declared its autonomy from China in 1911. Its counsel was not wholly disinterested, for it advised the authorities to finance themselves by a tax of some 5 per cent on all internal and external trade—*octroi* as well as tariffs—but exempting Russian goods.[5] In 1913/14 these levies contributed 18 per cent of the revenues of the autonomous government, but 75 per cent were made up by borrowing from Russia.[6]

When Mongolia became Soviet Russia's first political ally by its Revolution of 11 July 1921, support was continued by Lenin's young state, but the latter's reduced ability to lend (it regained pre-war output only in 1925) paralleled a strengthening of the domestic tax system. The Mongolian government budget relied on Soviet loans only to 17 per cent in 1923 and 7 per cent in 1926; direct taxation, newly introduced (per head of livestock) in 1923, yielded in that year one-fifth of revenue. The death in 1924 of the Dogd Khan, the theocratic ruler whose continued presence on the throne had facilitated the transfer of power, allowed the proclamation of the People's Republic and under the revolutionary leader, Sukhe Bator, the economy was stabilized, notably by currency and tax reforms during 1925 and 1927.[7] Trade turnover with the Soviet Union rose from nothing in the early 1920s to 16 million roubles in 1927/28—about as much as the then Soviet turnover with India, Japan or Turkey.[8]

Stalin's 'Great Turn' of 1929 was echoed in Mongolia, where the years to 1932 are characterized as of 'left-wing excesses'. Penal taxation on private trade forced the virtual disappearance of the merchants (many of them Chinese) in favour of a monopoly of the state-run co-operative, Montsenkop; the livestock and other taxes were rendered sharply discriminatory against monasteries and richer proprietors; a 'war tax' was levied on men of conscription-age who were not actually conscribed (directed against monks, who constituted no less than one-third of all adult males); foreign-trade became a state monopoly; and an ambitious Five-Year Plan was launched.[9]

In the face of strong resistance, a mounting inflation which undermined con-

[5] Franklyn D. Holzman, 'The tax system of Outer Mongolia, 1911–55: a brief history', *Journal of Asian Studies*, February 1957, p. 223.

[6] *ibid.*, p. 222. The simplicity of the economy then may be judged from the half of local government revenues which were paid in kind—notably as *urton* service, the provision of camels, horses and guides for officials, church leaders and traders (*ibid.*, p. 223).

[7] The first national currency, the tugrik, was issued in December 1924 by a joint Mongolian-Soviet central bank (see M. Kaser, 'The Mongolian tugrik', *International Currency Review*, Vol. 9 (1977), No. 4, p. 156).

[8] *Vneshnyaya torgovlya SSSR 1918–1966* (Moscow, 1967), p. 10.

[9] Holzman, *op. cit.*, pp. 224–5, and Kaser, *op. cit.*, p. 158; both cite the relevant Soviet sources.

fidence in the currency, and a cut-back in turnover with the Soviet Union, the Party called a halt. The Five-Year Plan was abandoned in July 1932, the political bias of taxation alleviated, and a new period of compromise ensued.

The defeat in 1939 by Mongolian and Soviet troops of the Japanese incursion from occupied Inner Mongolia at Khalkin Gol paved the way for a protective isolation in which the USSR enveloped Mongolia until Chinese political penetration resumed after the Second World War. In 1941 a new round began of economic adaptation to the Soviet model and the livestock tax was again rendered severely discriminatory against those seen as 'remnants of feudalism', such as kulaks and monastery staff.[10] A Board of Planning, Accounting and Control was established and unified annual plans were formulated from 1941.[11] The Board became the State Planning Committee in 1945 and drafted a Five-Year Plan for 1948–52: settled agriculture was seriously started and by the end of the Second Plan in 1957 global industrial output was 347 m. tugriks against 77 m. in 1940. Illiteracy was eliminated and over one in four of the population was in a wage-earning household. In that period, the Chinese Communist Party attained total control over the southern mainland neighbourhood and the 1,100 km. Trans-Mongolian Railway opened up new zones for economic use and promoted exports and imports with either major power, both of whom furnished aid.

### Industrialization at Soviet expense

The penultimate phase in Mongolian economic history to date began with a Three-Year Plan for 1958–60, during which collectivization was completed. However, external relations were jeopardized by the Sino-Soviet break, which became public in June 1960. In the ensuing four years, some argued for non-alignment, on the grounds that aid could be obtained competitively from both the Soviet Union and China, though it was significant that those favouring reliance on the former were gaining the upper hand when Mongolia joined Comecon in 1962. Full alignment with Moscow followed when Chinese experts and manpower were expelled; the loss of tens of thousands of labourers delayed the completion of numerous capital projects and the aggregate of external aid dropped (from 21·9 m. transferable roubles in 1960 to 15·7 m. in 1965).[12]

The unequivocal alignment with the Soviet Union in the mid-1960s involved, just as it had done in the early 1940s, the wholesale dismissal of 'nationalists' from office, though not to the extent and severity of the earlier date. From then industrialization under Soviet and Comecon wings was undisputed Party and government policy.[13] On 15 January 1966, Mongolian-Soviet relations entered what was termed 'a qualitatively new stage of development' with the signature of a bilateral Treaty of Friendship, Co-operation and Mutual Assistance at the conclusion of a

[10] F. D. Holzman, 'Equity of the livestock tax of Outer Mongolia', *American Slavic and East European Review*, Vol. XV, No. 3, p. 507.

[11] D. Sodnom (Chairman of the State Planning Committee), 'Planning—the Decisive Advantage of Socialism', in *The 60th Anniversary of People's Mongolia* (Ulan Bator and Moscow, 1981), p. 44.

[12] *Narodnoe khozyaistvo MNR 1979*, p. 200.

[13] See C. R. Bawden, 'Economic advance in Mongolia', *The World Today*, June 1960, and R. A. Hibbert, 'The Mongolian People's Republic in the 1960s', *ibid.*, March 1967.

state visit by the Soviet leader, Leonid Brezhnev, 'The thankful toilers of Mongolia', his counterpart, Yumzhagiin Tsedenbal, later said, 'know that in every item of our products, in every tugrik of our income, there are grains of the labour and the soul of their Soviet friends.'[14] A protocol to the 1966 Treaty provided Mongolia with a credit of 665 m. roubles for the Fourth Five-Year Plan (1966–70)—it was rumoured that 1,100 m. had been sought—and when Tsedenbal went to Moscow in 1970 he secured further credit of 750 m. for the Fifth Plan (1971–5); a Deputy Head of the USSR State Planning Committee had led a team to examine the Mongolian economy the previous year. The Soviet aid actually supplied in that period was reported as two and a half times that provided in 1966–70,[15] though it is not clear whether this was due to a shortfall during the earlier, or an over-provision in the second, period. In the current Seventh Five-Year Plan (1981–5), Soviet aid should be double that of 1976–80.[16]

The effect of Soviet suppliers on Mongolia is enormous, but is hard to document because of exchange-rate problems. Mongolia reports its trade in Comecon's transferable rouble[17] and because this is at par with the Soviet valuta rouble used in Soviet returns, one would expect Soviet exports to Mongolia to be identical with Mongolian imports from the Soviet Union—there is no transport cost because of the common frontier (both value goods *franco* frontier) and no time-lag which could cause divergence of records. But Soviet rouble values are just under triple those shown by Mongolia. On the other hand, Soviet imports from Mongolia are approximately identical with Mongolian exports to the Soviet Union.[18] There may either be a differential exchange rate (the Mongolians buying at one-third of the Soviet customs valuation) or a disparity in reporting (for example, the USSR may register armaments which Mongolia may not, or Mongolia may exclude products delivered gratis to its enterprises[19] or those destined for Soviet residents in Mongolia, including troops). If it is a question of the exchange rate, four-fifths of the equipment installed in Mongolia in 1979 was from the USSR.[20]

The Soviet export surplus to Mongolia is largely equal to its sales of equipment to that country (respectively 469 and 440 m. Soviet roubles in 1980). Averaged over the three years 1978–80 and converted at the official exchange rate, Moscow

[14] Citations from B. Badarch (Vice-Chairman of the Mongolian-Soviet Friendship Society), 'A Tried Friend and a Reliable Support', in *60th Anniversary*, *op. cit*., pp. 32 and 33 respectively.

[15] Alan J. K. Sanders, 'Mongolia 1975. "One Crew in Battle, One Brigade in Labour" with the USSR', *Asian Survey*, January 1976, p. 66.

[16] Speech of N. Lavsantsultem (Chairman of the MPR Federation for Peace and Friendship) to the commemorative meeting referred to in footnote 1.

[17] Returns in the Mongolian national statistical yearbook, termed in 'roubles', are identical with those in the Comecon statistical yearbook.

[18] Nothing can be precisely pinpointed because neither the Mongolian nor the Comecon yearbooks give a break-down by country, but the share of the Soviet Union in Mongolian trade was cited in *Sotsialisticheskaya Mongoliya*, *op. cit.*, p. 134 (78·7 per cent of exports and 87·1 per cent of imports).

[19] The 'non-refundable aid' which was to total 440 m. roubles in 1976–80 (A. Sanders, 'Mongolia 1976: drawing together frankly with the Soviet Union', *Asian Survey*, January 1977, p. 28) and which in communications alone actually totalled 500 m. tugriks in that period (*Sotsialisticheskaya Mongoliya*, *op. cit.*, p. 133).

[20] 131 m. transferable roubles out of 162 m. (719 m. tugriks) installed.

supplied $589 m. annually as its trade surplus, or $369 per head of the Mongolian population.

For the Soviet Union, Mongolia ranks at the top of aid-giving. By 1 January 1980, undertakings had been given to build 621 enterprises or projects in Mongolia and of these 389 were already in exploitation: for every three and a half enterprises or projects built elsewhere in Comecon's eight other members, one was built in Mongolia.

The industrial expansion that has resulted from Comecon provision of capital and know-how is reflected in the official production indexes (see table): industrial

TABLE: OFFICIAL INDICATORS OF MONGOLIAN ECONOMIC GROWTH

| | | 1965 | 1970 | 1975 | 1980 | 1985 Plan |
|---|---|---|---|---|---|---|
| Net material product | 1960 = 1 | 1·1 | 1·3 | 1·8 | 2·4 | 3·3 |
| Global industrial output | 1960 = 1 | 1·6 | 2·6 | 4·0 | 6 0 | 9·3 |
| Money wages | 1965 = 100 | 100 | 118 | 156 | 162 | 170 |
| Industrial labour productivity | 1960 = 100 | 119 | 167 | 229 | 272 | 341 |
| Gross agricultural output | 1960 = 100 | 112 | 114 | 140 | * | † |

* 6·3 per cent over average of 1971–75. † 22 to 26 per cent over average of 1976–80.

Source: *Narodnoe khozyaistvo MNR 1979* and Plan Guidelines of the XVIII Mongolian Party Congress.

output has sextupled since 1960 and should be ninefold that base year under the present Five-Year Plan. The external aid cannot be readily distinguished from the home supply, but it has been a major factor in making Mongolia the country with the world's highest rate of saving. In 1978 just over half (50·5 per cent) of 'disposable net material product' went to accumulation;[21] this was a peak but the average for 1976–9 was 44·3 per cent. If four-fifths of equipment is Soviet-supplied and if this is about the value of aid (two relationships which can be drawn from the foregoing text), and as equipment in those four years was 31 per cent of fixed investment or, say, 29 per cent of all accumulation (allowing for net inventory growth), Soviet aid was nearly 13 per cent of 'net material product'. Marking up the latter by 15 per cent in a rough approximation for the services that 'net material product' does not embrace, the Soviet Union provided just over 11 per cent of Mongolian GNP in 1976–9. This is a very large share indeed, but the sum implied is not inconsistent with the $370 aid per head, since if it were 11·3 per cent of per capita GNP, that latter measure would be $3,250. This may be only one-third of that of the United States but it is double that of Brazil; at just under half that of Australia, the comparison is between countries each still predominantly producers of animals and metals. In the Third World, only a few islands get external assistance on the scale that is indicated for Mongolia,[22] but in a political perspective, the most appropriate comparison is the $184 afforded each Israeli citizen (1979 data). The United States is, after all, as keen to stop the Arab powers changing Israel back to Palestine as the Soviet Union is to stop the Chinese regaining the territory they lost in 1911.

[21] *Statistichesky ezhegodnik stran-chlenov SEV, 1980* (Moscow, 1980), p. 46; the Mongolian yearbook has the same figures where the same years are cited in each source.

[22] Reunion Island has the record at $583 per capita (in 1979).

# Pinochet's Chile: back to the nineteenth century?

ALAN ANGELL

THE title of this article is intended to be suggestive of a persistent tendency in Chile towards political and ideological experiments. In recent years, the country has seen Christian Democrats attempting to implement a revolution in liberty, a Marxist-inclined Popular Unity government trying to take the country down the road towards socialism, and now a unique experiment in military authoritarianism and Chicago economics aims to embody the market principle as the main regulator of economic and social life. Not of political life, however, and here any analogy with nineteenth-century liberalism must end.

The free market rests upon political authoritarianism. The Constitution approved in 1980 (and itself no model of representative democracy) will come into force partially by 1989 and not fully until 1997. Until 1989, the President enjoys virtually unrestrained executive power under the transitional Article 24. Under this article, for example, citizens can be sent into internal exile for up to three months without any right to appeal or to defence; they can be arrested or detained for up to 20 days without charges having to be brought; and they can be deported.

The argument of the supporters of the government is that Chile needs a few more years before the 'model' is generally accepted. A transitional period is needed before impediments to market forces, such as trade unions or professional associations, are reduced to their 'correct' size. However, it is not only supporters of the government who expect success. Some opponents fear that the combined effects of sustained propaganda, profound reforms in education, health, labour and pensions, the continuing fear of repression and limited economic benefits might produce a tacit consent out of sheer political indifference and weariness.

Whether the government can achieve some kind of legitimacy depends upon economic achievement. Pinochet has staked his colours to the Chicago flag. Yet there is a great deal for the government to be worried about.

## Current economic problems

At the centre of the debate on the economy of Chile is the exchange rate. The Chilean peso was pegged to the US dollar over two years ago, and it is now

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estimated that the rate of 39 pesos to the US dollar is an over-valuation of about 25 per cent. Yet, the Finance Minister, Sergio de Castro, has repeatedly stated that there will be no devaluation for years to come.

The result of this, and of international price movements, is an increasing deficit in the trade balance covered by external borrowing at record levels. In the first half of 1981, imports were growing at an annual rate of 43 per cent, while exports were falling at an annual rate of 15 per cent. In quantum terms, exports grew by 15 per cent in 1979, 5 per cent in 1980, and a likely final figure of no growth at all in 1981. Chile needs to borrow from abroad about US$300 million monthly to cover the trade deficit of at least US$3,000m. for 1981.[1] According to the Chicago economist Arnold Harberger, when the deficit on the commercial balance reaches 10 per cent of gross national production, international bankers start to become very concerned. Chile is now near that figure. With an external debt now equal to 45 per cent of GNP, the question of the confidence of the international banking community is of pressing importance.

The regime makes great play with the increase in economic growth in recent years. This claim has always been rather questionable as recovery was measured not from the year of the coup, 1973, or from the last year of the Christian Democratic government, 1969, but from 1975, the year of the economic 'shock' when a government-induced recession resulted in an enormous 15 per cent decline in GNP. However, 1981 is at best likely to see a real growth rate of 4 per cent, and 1982 of between 2 and 3 per cent (when the average rate since the 1960s has been around 4 per cent).

If the growth figures are examined by sectors, then the claim of the government to be establishing the basis for sustained growth in the long term looks even more unlikely. The estimated real growth for industry in 1981 is only between 2 and 4 per cent; for agriculture it is down from 8 per cent in 1979 to zero growth in 1981 and even in construction, the sector which really did experience a boom after the slump of 1975, the 1979 rate of 24 per cent is down to 10 per cent for 1981. The problems of the construction industry are typical of the problems of many sectors of the economy. There is a build-up of stocks as recession reduces demand, and very high interest rates reduce capacity to sustain a decline in demand or ability to secure credit for long-term investment. The dramatic need for new investment is shown in the mining sector, where copper is still by far the most important export for Chile. Mining grew by only 2 per cent in 1981, but even to maintain copper production at existing levels needs an increase in investment over the next four years of 140 per cent at constant prices, compared with the previous four-year period.

The government can point to success at least in one area. The rate of inflation has fallen from over 30 per cent in the previous three years to around 10 per cent in 1981. Yet, given the absolute political control that the government has enjoyed since 1973, and given the adverse effects on the economy generally, not to speak of the social costs, this achievement does not seem so praiseworthy. Another favour

[1] Maria Olivia Monekberg, 'Los vaivenes del frente externo', *Análisis*, September 1981 pp. 10–15.

able indicator is the record high level of foreign reserves at $4,702 m., which the government argues is evidence of the healthy state of the international standing of the economy and a cushion against speculation against the currency. But the events of November 1981, when the government had to intervene to take over four banks and four *financieras*, led to a dramatic decline in foreign reserves, and it will be difficult to sustain further drains on the foreign-exchange reserves without considering devaluation or drastic debt renegotiations.[2]

## Is the economic crisis a short-term one?

Although government spokesmen are clearly worried by recent economic developments, their argument is that this is a short-term interruption (and largely due to the deterioration of the world economy) to a successful long-term programme. But how justified are they in claiming this?

It is difficult to see how the increasing balance of trade deficit can be dismissed as a short-term fluctuation. The deficit has been acute since 1979, with imports far outstripping exports. The dictates of a free-market ideology demand tariffs at zero or very low rates. Chile is therefore a wide open market for imports, but the rest of the world is not so co-operative and the EEC has recently made it even more difficult for the Chileans to export their fruit and vegetables (part of the basis of a new export structure to reduce dependence on copper). The economy is therefore extremely vulnerable to fluctuations in the world economy and to variations in international confidence in the Chilean model—almost half of Chile's enormous foreign debt consists of short-term foreign bank loans to the private sector.

Althouth the growth rate since 1975 has been high, most of that growth has been concentrated in the service sector, which reflects the enormous expansion in Chile of the banking and financial sectors. Thus, although the service sector has grown since 1974 at 5 per cent per annum, industrial production has increased in real terms only by 1·3 per cent per annum.[3] This is rather a fragile basis for claiming to have performed an economic miracle.

One of the traditionally acute problems in the Chilean economy has been a very low rate of investment in the economy and there is no sign that Pinochet's government has reversed this. Only by 1980 was industrial new investment at the traditional average of 15 per cent of the value of industrial production (whereas the Latin American average was 20 per cent). Moreover, a large part of new investment (over 30 per cent) is dependent on foreign sources for finance, so once again this emphasizes the importance of foreign confidence in the government's economic strategy.

The social cost of ideological rigidity in Chile has been very high. Unemployment, eight years after the coup, still stands at 15·6 per cent of the workforce in Santiago (including those given miserable pay in the government Programme of

[2] Manuel Delano, '¿ Regreso al estatismo?', *Hoy*, 11 November 1981, pp. 17–19. *Financieras* are financial intermediaries accepting small deposits and lending largely for hire-purchase.

[3] Alejandro Foxley, 'Chile: perspectivas economicas', *Mensaje*, August 1981, pp. 413–14. See also the very perceptive article by the same author, '¿ Resuelve el modelo económico los problemas de fondo?', *Hoy*, 14 October 1981.

Minimum employment). Figures are much higher outside Santiago. Only if the growth rates of 1977 to 1980 are maintained will unemployment fall to 5–6 per cent by 1990.[4] Is such appalling misery and waste of resources ever justified by any ideology? And apart from unemployment, real wages in 1980 are still 10 per cent below those of 1970, and as investment in health and education have been sharply reduced, many poor people find themselves paying bills or forgoing services that formerly had been provided by state welfare systems. The state now spends 17 per cent less on social welfare (*gastos sociales*) than it did in 1970.

If popular welfare has consciously been neglected, so have many other areas of state activity, especially those of the economic infrastructure. Roads, railways, ports, the coal mines and the steel industry have all been starved of investment funds. Investment by the Ministry of Public Works fell from US$427 m. in 1974 to $185 m. in 1975, and rose slowly to $302 m. by 1979. This neglect contrasts very sharply with Brazil where the government has built up the state sector to impressive levels. Such neglect of basic infrastructure will gravely impede long-term investment.

Very little of the wave of imports currently flooding Chile are of new machinery or equipment. Imports of these were only up 3 per cent in 1979 compared with 1970, while imports as a whole were up by 82·6 per cent and were mostly of consumption goods intended for the upper classes. And it is decreasingly less likely, because of the over-valued currency and lower world demand, that Chile can develop non-traditional exports to cover this import bill.

The major beneficiaries of economic policy have been the economic conglomerates that developed rapidly as concentration of credit favoured the most powerful economic sectors, as tariff reductions forced many enterprises into bankruptcy, and as the state sold off at bargain prices most of the enterprises nationalized by the Allende government. This handful of multi-sectoral groups dominate the banking, financial, industrial and export-agriculture sectors. Two of them, the Cruzat-Larraín and Javier Vial groups, are particularly important, and account for 40 per cent of the value of bank deposits in Chile. Their access to international finance has given them immense advantages and benefits compared with the smaller concerns that do not enjoy such access. It has been estimated that the major groups made US$800 m. profits between 1977 and 1980 simply by borrowing abroad and relending domestically at interest rates that varied from 100 per cent in 1976 to 30 per cent in 1978 above international rates. These profits were rather more than the cost of the 500 state firms and banks sold back to the private sector between 1973 and 1978.[5]

However, even the prospects for the powerful groups began to look less rosy in 1981. First, one of the largest enterprises in Chile, the sugar refinery at Viña del Mar, CRAV, went bankrupt.[6] CRAV was the fourth largest enterprise in Chile, but speculation on the future price of sugar went wildly wrong and the company was forced to the wall. Serious questions began to be asked in the government about the alarmingly loose conditions upon which bank loans were made. A new

[4] Alejandro Foxley, 'Chile: perspectivas economicas', *loc. cit.*, p. 413.

[5] René Cortazar, 'Derecho al trabajo en Chile', *Análisis*, September 1981, p. 4.

[6] Jaime Ruiz-Tagle, 'Lecciones y consecuencias. el caso CRAV', *Mensaje*, July 1981, pp. 305–7.

law was hastily introduced to give to the Superintendent of Banks much greater power to ensure that loans were made with adequate guarantees. This came too late to save another four banks and *financieras* that were subjected to state intervention in November because of 'administrative deficiencies'. The banks involved account for almost a fifth of total peso deposits in Chile. Three prominent bankers were arrested. The collapse showed the link between the financial sector and the troubles of the industrial and agricultural sectors. Several economic spokesmen admitted that this was likely to shake international confidence in the government.

### Devaluation?

One policy that the government has stressed that it does not intend to adopt is that of devaluation. Why should it reject this with such force? The economic team argues that a fixed exchange rate is a stabilizing influence that encourages long-term investment and discourages financial speculation. The fixed exchange rate is intended to bring the overall system into equilibrium as internal prices are expected to rise less than external prices (though there is little evidence yet that internal prices are that flexible downwards in Chile). Importers are happy with the present rate and the virtual non-existence of tariffs (though the government in response to the recent troubles has announced some limited tariffs against dumping). As exports are still largely made by the state (which accounts for over 60 per cent of the total, though only 16 per cent of imports), the powerful economic groups do not feel so strongly about the fate of the export sector, and the government seems willing to accept this price in the interests of its overall strategy, even though forgoing extra export earnings reduces government revenue and therefore its capacity to alleviate poverty or to invest in economic growth.

But there are two other explanations that are of greater political significance and probably carry more weight. In the first place, a devaluation in the present circumstances would mean an acceleration of inflation and the government is concerned to establish its success in this area. Secondly, the economic groups are heavily indebted abroad. It has been calculated that of Chile's total external debt of US$12 billion, 35 per cent corresponds to the Cruzat-Larraín and the Vial groups. A devaluation would create serious problems for them.

If the government has, for the time being, ruled out devaluation, what are the alternatives open to it? Two measures are being pursued with some energy. In the first place, the government is seeking to reduce labour costs even further, and, secondly, by intensifying 'privatization' of the economy it is hoped that this will provide the necessary stimulus to escape from the recession. But it would be wrong to give the impression that there is unity inside the government. There is in fact considerable political division.

### Political divisions inside the government

The two wings of the government are generally classified as hards (*duros*) and softs (*blandos*). The *duros* are seen to represent the more nationalistic groups, favouring greater social and political mobilization to support the government, worrying about the excessive power of the economic groups and the Chicago boys,

and still favouring a substantial state presence in the economy. The *blandos* are drawn largely from the economic team and from the private economic interests; they favour further and rapid privatization of the economy, oppose mobilization, and stress the absolute necessity of pushing the free-market experiment as far as possible. However, one must not exaggerate the differences between the groups, nor their internal unity. Both rely heavily on Pinochet as the political arbiter and effective ruler, and neither wing demonstrates any genuine concern over the violation of human rights in Chile, except in so far as it affects Chile's international image and therefore its attraction to foreign bankers.

Developments in Chile have shown the uneasy relations between these two sectors of the government. The recent Banking Law was seen as some kind of victory for the *duros*, as it brought the banks under more effective regulation and limited their capacity to concentrate credit allocations. On the other hand, the proposed new Mining Law was seen as a victory for the economic team, as in order to encourage new investment in copper, foreign investors were to be offered much more favourable terms, such as the right to compensation for expropriation at market value, and taxation of profits at only 49·5 per cent instead of the past average of 70 per cent.[7] The government desperately needs new investment in copper, for of a projected foreign investment in the sector of US$3,200 m. only 10 per cent has arrived. A massive inflow of funds to the copper sector would help the hard-pressed balance of payments. Although the *duros* have held up the law, it is likely to go ahead.

One other division that appears periodically is over the question of mobilizing support for the government. Several attempts have been launched at a party or movement that would support Pinochet in the streets and demonstrate the 'popularity' of the government. These attempts have all been rebuffed by the government, partly one suspects because the government is not all that popular anyhow, but more because the *blandos* simply do not want any political activity of a kind that would interfere at present with their construction of a 'new Chile'. Their argument is that when a *nueva institucionalidad* (a new institutional structure) has been established, then will be the time to start a limited and gradual political participation. Crucial to their scheme has been increasing privatization of economic and social life.

### Privatization and the 'New Chile'

Although many reforms are still in their early stages, the general intention is fairly obvious. It is intended to reduce state activity in social welfare, as well as in the economy, to the minimum and to encourage the private sector to take over many of the functions performed in Chile by the state. It is also intended thereby to reduce political pressure on the state from various social groups, and at the same time to link the fortunes and well-being of the great majority of Chileans to the private sector, so that the possibility of future pressure for any policy detrimental to the Chicago model will become remote.

[7] See the report of the speech of the Minister of Mines, José Piñera, in *El Mercurio*, 1 September 1981, and in *Qué Pasa*, 3 September 1981.

The educational reform, for example, entrusts primary and secondary schooling to the municipality, although with that glaring contradiction between economic freedom and political liberty that is so characteristic of Pinochet's Chile, what may or may not be taught in schools is closely regulated. The most important municipal official is the mayor, who is appointed by the executive. Municipalities can, if they so wish, hand over the running of schools to independent bodies. The defects of this scheme are obvious and have been pointed out vigorously by the Church.[8] It is ideologically rigid; it favours rich communities over poor; it further divides education into private and state sectors; it hands over power to local élites and government officials while giving the appearance of decentralization and participation.

The pensions law is intended to create a fully private pension system as the state system is gradually phased out. Workers are encouraged to transfer to the private system as the benefits promised are higher than those of the now very low state benefits. Employers are happy as their contributions to workers' pensions will cease in 1984. The scheme will mean a tremendous transfer of resources to the private sector, as the worker's contribution is fixed at 17 per cent of salary. Already US$25 m. goes monthly into the new pension organizations, the two most important of which are controlled by the two major economic groups in Chile.[9] And it means, of course, that workers whose pensions and other welfare benefits are tied to the fortunes of the private sector are less likely to be persuaded by such 'foreign' ideologies as Christian Democracy, Socialism or Marxism (or even old-fashioned Liberalism).

The *Plan Laboral* has been in operation longer and has received much attention as international labour movements have protested strongly against a labour code that divides unions into very small units, that makes effective strike action virtually impossible, and that gives every possible advantage to employers in the system of collective bargaining.[10] However, it seems that the government feels that some provisions of the new labour code were too liberal, especially the right given to some unions on strike to receive an increase in wages equal to the increase in the cost of living. So a whole new series of measures has been passed which further weakens the rights of unionists: the eight-hour day has been abolished, employers now have complete freedom to employ youths under 21 or adults over 65 (neither group has entitlement even to the minimum wage), shorter holidays, easier dismissal and so on. And in one of those abrupt moves that characterize government action in Chile, one of the last powerful unions, the maritime and port workers in COMACH, lost their entitlement to work through a dockers' register, and all dockers were declared dismissed, to be re-employed again by employers on much less favourable terms. Such actions show how little the government, or at least the *blando* sector within it, care about compromising their market ideology for the

[8] See the Pastoral Letter, *La Reforma Educacional*, Conferencia Episcopal de Chile, 25 May 1981.

[9] This interpretation is given by the economist José Pablo Arellano, as reported in 'Previsión: otra columna del Modelo', *Hoy*, 16 September 1981, p. 26.

[10] For the attack on labour, see *Movimiento Sindical*, Revista de Talleres, No. 2, Vector, Santiago, 1981

sake of a popular base, for COMACH has not been a particularly radical or democratic union in Chile, and might have served as an element in some kind of pro-government nationalist movement if the right inducements had been offered.

### Opposition and repression

The long-term weaknesses of the regime come from over-concentration of power in Pinochet's hands and from the inability of the economic model to generate a stable basis for long-term growth. If Pinochet were to go (though he shows no sign of doing so for the foreseeable future), the new institutional structures might well crumble faced with the still powerful desire of many Chileans to return to constitutional rule. But it cannot be said at present that the opposition to the government is either strong or united.

The Church has played a crucial role in defending human rights in Chile. However, Cardinal Enríquez will soon be retiring, and it is by no means certain that his successor will be as progressive or as able a diplomatist. The role of the Church is essentially defensive. It is not its function to formulate a precise economic and political alternative. Although the economic policy of the government has come under withering attack from small groups of academics outside the ideologically controlled (and impoverished, financially as well as academically) universities, controls over political expression and over the mass media prevent widespread criticism of the government.

Fewer people suffer now from brutal repression compared with the dreadful years following the coup, but repression and fear of repression remain essential to the government's survival. And repression is not declining gradually. In fact, the first half of 1981 was worse than 1980, with 40 cases of torture and 235 of arbitrary arrest presented to the courts.[11] How many more suffered without attempting legal redress we do not know. Thirty-five people were sent, in the same period, into internal exile. After the arrest of two trade union leaders for committing the offence of speaking in the name of unionists, four prominent spokesmen of the Human Rights Committee were promptly deported for supporting them. Still outstanding are one case which involves the complicity of the intelligence services in a bank robbery and murder of two bank officials who helped them, and another case involving members of the same service in the unofficial activities of a vengeance squad which led to the murder by torture of a young student. And periodically the assassination of Orlando Letelier in Washington surfaces in the courts of Washington and Santiago to remind Chileans that the fatal consequences of opposition are not limited to their national territory.

It is difficult to envisage Pinochet's Chile existing without recourse to repression, and without strict and authoritarian control. Even if the political model continues unaltered, however, it is not entirely certain that such authoritarianism can withstand the scale of economic deterioration that looks much more of a possibility now, than in the boom years of 1977 to 1980.

[11] Alejandro González, 'Constitución política: disposición vigesimocuarta transitoria', *Mensaje*, July 1981, p. 323.

# Danger signals for Spain

GEORGE E. GLOS

THE resignation of Prime Minister Adolfo Suárez on 29 January 1981 brought about a crisis of major proportions in Spain. The process leading to the crisis was long and took actually over two years, the full time of Señor Suárez's presidency. The Suárez government under the present Constitution was formed after the elections of 1 March 1979. The results gave the Democratic Centre Union (UCD) 167 seats, the Socialist Workers' Party (PSOE) 121 seats, the Communist Party (PCE) 23 seats, the Democratic Coalition 10, the National Union 1, and a number of regional parties an aggregate total of 28 seats in the 350-seat Congress of Deputies. In the vote of investiture taken on 30 March 1979, Señor Suárez was confirmed as head of the government with 183 votes in favour, 149 against, 8 abstentions and 10 absences. The government he formed was composed of members of his own party and was a minority government. It kept in power only with the direct support of the nine deputies of the Democratic Coalition of Señor Manuel Fraga Iribarne. As the country became less and less enthusiastic about the ability of the government to govern effectively and the Democratic Coalition appeared to withdraw its political support, the government negotiated and obtained support from the Basque Nationalist Party holding seven seats in Congress (as well as having eight Senators) and the Catalan Party having nine members in Congress.[1]

## The problem of terrorism

Problems multiplied during the tenure of office of Señor Suárez. The economic situation worsened gradually, unemployment kept at 1·5 million of the work force, inflation rose to 15 per cent, strikes continued to take their toll, but most importantly, political terrorism continued unabated. Of all the enumerated phenomena, it was the issue of terrorism which led to the resignation of the government.

Political terrorism has been a common feature in Spain since the mid-1970s. Acts of terrorism have been committed by the Basque separatist organization ETA and by the Grapo movement. Both are Marxist-Leninist organizations. ETA's ostensible aim is to achieve independence for the Basque region, and Grapo's the establishment of a Marxist regime in Spain. Both use the same technique: assassination of police and army officers. While Grapo is relatively weak and engages only in sporadic actions centred on Madrid, the ETA is very active and conducts its attacks both in the Basque region and elsewhere in Spain. Its attempt on the life of General Valenzuela, the head of the King's military household, carried out in Madrid on 7 May 1981, was one of its most spectacular recent actions.

[1] For background, see Robert Harvey, 'Spain's democracy: a remarkable first year', *The World Today*, March 1980; George Hills, 'Basque autonomy: will it be enough?', *ibid.*, September 1980; Gaither Stewart, 'Andalusia's challenge to Spain', *ibid.*, May 1981; and Thomas Carothers, 'Spain, Nato and democracy', *ibid.*, July–August 1981.

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Although nominally a Basque organization, the ETA as a Marxist-Leninist ront draws its support from the international Communist movement and is lirected from abroad. Its apparent objective of independence for the Basque ountry being obviously unrealizable, it would appear that its frequent violent cts of terrorism, including assassinations, are pursuing a different end, namely, he setting up of a Marxist regime in Spain. The government of Señor Suárez was f the opinion that ETA terrorism would disappear after the Basque region was ranted autonomy, the next best thing to outright independence and the actual ptimum the Basque extremists could ever ask for. However, although a far-eaching autonomy was granted and the Basque country has its own regional overnment, terrorism continues. The political party Herri Batasuna, a coalition f radical groups whose relationship to the extremist Eta-Militár has been com-ared to that of Sinn Fein to the IRA in Ireland, obtained only 11 seats in the lasque Regional Assembly, and three members in the Congress of Deputies in Madrid. This indicates that, even among the Basque people, the support for ETA rather slight. Thus the objective of ETA's continued activity is the total destabili-ation of Spain and the furtherance of the Communist cause.

The continuing attacks on police and army officers has for its purpose to incite ne armed forces to a possible rebellion against the government which up to now as proved woefully inadequate at dealing with the situation. Neither the govern-ent of Señor Suárez nor that of Señor Calvo Sotelo has been willing to adopt a ougher posture against the terrorists. All measures taken by the Calvo Sotelo overnment against the terrorists, including the so-called participation of the rmed forces in the anti-terrorist campaign, have met with only moderate success. he measures appear calculated to produce headlines in the daily press for the ake of publicity but their actual value in curbing terrorism seems very much in oubt. In choosing its targets, the ETA is clearly trying to weaken the allegiance of e police and the armed forces to the government represented by the Democratic entre Union, which is the only apparent power fully supporting the existing con-itutional order in the country. No other political group represented in the Con-ress of Deputies can be expected to give its wholehearted support to the present panish regime.

Another target of ETA has been Spanish public opinion and the Spanish voter. y demonstrating to Spain and to the whole world the glaring inability of the emocratic Centre Union government to cope with the situation, ETA aims to eaken the confidence of the general public and especially those of its members ho supported the Democratic Centre Union by their votes in the last elections, in e present administration. ETA's plans actually call for the removal of the Demo-atic Centre Union from the government and its replacement by a Popular Front eminiscent of the time of the Republic in the 1930s, which would then be pressured move further to the left until the regime would result in a full-fledged 'people's emocracy'.

**Aftermath of the February coup**

The likely scheming of the ETA has proved quite successful. On 29 January 1981,

the government resigned in order to forestall a reputed military coup to remove Señor Suárez from power. Unwilling to use tougher measures against terrorism and unable to settle the matter otherwise, Señor Suárez decided to step down to give another politician a chance to try while the armed forces would, as he assumed, give his successor in office sufficient time to solve the crisis. The coup was not forestalled, however, since Señor Leopoldo Calvo Sotelo appeared to have no programme of his own but that he would continue the dead-end policies of Señor Suárez. The coup was actually attempted at an earlier date than originally planned in order to take advantage of the debate of investiture in the Congress of Deputies at which time the entire government would be present and could be held hostage—which actually occurred.[2]

The divisive policies of the ETA also had their effect on the electorate. New elections must be held before the end of April 1983,[3] and it is generally expected that the Democratic Centre Union will lose a number of seats. The UCD is not exactly a political party but rather a coalition of many parties. It was formed to make a political force out of as many as 15 political groups with the hope that united they would outpoll the Socialists who since the days of the Republic have been the strongest political party in Spain. The leading elements in the Party are the Loyalists, i.e. the followers of Señor Suárez led by Señor Agostín Rodríguez Sahagún, Señor R. Calvo Ortega and Señor José Pedro Pérez-Llorca, the Christian Democrats and Liberals led by Señor Landelino Lavilla and Señor Emilio Attard, and the Social Democrats led by Señor Francisco Fernández Ordóñez. The UCD managed to outpoll the Socialists and thus became the leading political party in Spain.[4] Yet it is far from being a united party, but is still divided into its original groups which have to engage in lengthy negotiations to arrive at a common policy. Lack of agreement entails lack of action and the Democratic Centre Union has been well known for it. Lack of ideas, leadership and plain stagnation have dogged the Party since its coming to power. Disagreements among its constituent parts came into the open just over a year ago in connexion with the voting on 19 December 1980 on the proposed Divorce Law in the Judiciary Committee of the Congress of Deputies, where the Christian Democrats of the Democratic Centre Union opposed the official proposal of the Party sponsored by the Minister of Justice, Señor Francisco Fernández Ordóñez. Also, at the second Party Congress of the Democratic Centre Union held in Palma de Mallorca from 6 to 8 February 1981, a vehement disagreement arose between the component parts of the Party as to future policies. The Christian Democrats demanded the deletion of the provision for divorce by mutual consent from the proposed Divorce Law and the differences could have led to the splintering of the Party. A compromise was eventually reached after a new debate within the Party in mid-March 1981 and the provision of divorce by mutual consent was removed from the proposed Divorce Law to appease the

[2] For details of the coup, see David Rudnik, 'Spain: why the coup failed', *ibid.*, April 1981.

[3] By provision of Article 68 (4) of the Spanish Constitution, Congress is elected for four years and the mandate of the deputies expires four years after the election or on the date of dissolution of the Chamber. Subsection (6) provides for elections to be held within thirty to sixty days from the expiration of the mandate. The last elections were held on 1 March 1979, consequently, elections must be held before the end of April 1983.

[4] See Arnold Hottinger, 'Spain on the road to democracy', *ibid.*, September 1977.

Christian Democrats. Yet, when the matter came up for final vote in the Congress of Deputies on 22 June 1981, the Social Democrats of the Democratic Centre Union voted for a modified divorce by mutual consent formula contrary to agreed party policy which precipitated a serious crisis within the Party. In so voting, the Social Democratic fraction of the Party aligned itself with the Socialist Workers' Party and the Communist Party for the purpose of providing a meaningful divorce legislation for Spain. There was no divorce in Spain since 1939 when the Divorce Law established by the Spanish Republic in 1932 was repealed by the Government of General Franco.

The process of mounting discord within the Democratic Centre Union Party continued in the summer and autumn of 1981, with the daily press openly debating the imminent disintegration of the Party. The resignation from the government of the former Justice Minister, Señor Francisco Fernández Ordóñez, on 31 August came as no surprise. He and his followers had been under concerted attack after their vote in favour of the Divorce Bill in breach of Party discipline. They were also dissatisfied by the Party's alleged right-wing course, so that their continued presence in its ranks became increasingly doubtful. The Democratic Centre Union Party Executive Committee met on 25 September in an attempt to straighten out the problem but without apparent success. The Executive Committee reaffirmed the Party's desire to be a truly centrist party, steering a middle course between the political Right and Left. This position was publicly restated by the Party's president, Señor Agostín Rodríguez Sahagún, on 2 November, when he invited all Spaniards who supported the political centre to join the Party, making it plain at the same time that those who did not feel at ease within it could leave it to join both the Right and the Left. As an immediate response, Señor Francisco Fernández Ordóñez, together with another eight deputies and six Senators of his inner group, left the Party on 3 November, claiming that it was leaning too much to the Right. However, the splinter group promised the government their full support for the time being and their sincerity cannot be doubted.

The results of the Galicia elections, held on 20 October, seem to have further complicated the political situation. The Democratic Coalition Party emerged victorious, winning 26 seats to the Democratic Centre Union Party's 24 and the Socialist Party's 17, with four seats left to two regional parties. Since Galicia is known for its conservatism, its support for the right wing of the Centre Democratic Coalition was expected and only its actual victory over the Democratic Centre Union was something of a surprise. It was promptly taken as an expression of mounting dissatisfaction with the Democratic Centre Union Party by members of the more conservative electorate. The Party may thus be losing support nationwide, not only from the Left but also from the Right.

On the brighter side for the Democratic Centre Union Party, it is not the only party with internal problems. The Communist Party of Spain, which holds 23 seats in the Congress of Deputies, is also the victim of centrifugal forces. Its leadership openly split with its Basque wing led by Señor Roberto Lertxundi and has increasing problems with its Catalan wing, which in the last elections provided the Communist Party with 13 members in the Congress of Deputies. As a result, the Party is presumed to have lost a considerable part of its membership and elec-

toral support. Should elections be held now, these voters are expected to vote for regional parties opposed to the Democratic Centre Union Party government rather than for the Communist Party.

Presently, the Democratic Centre Union controls 165 seats in the Congress of Deputies, including the Francisco Fernández Ordóñez group, the Socialist Workers' Party 119, the Communist Party of Spain 23, the Democratic Coalition 9, the Catalan Party 9, the Basque Nationalist Party 7, the Andalusian Party 5, Herri Batasuna 3, and a number of small parties and splinter groups the remaining 10 seats for a total of 350 seats. A loss of only 10 seats in the next elections by the Democratic Centre Union, which appears very likely and seems a rather conservative assessment of the situation, would produce a stalemate and give the Socialists and the Communists a chance to form a government with the support of some regional parties. A loss of 15 or 20 seats would make a Popular Front government a certainty. The Socialists and the Communists contested the last municipal elections of 1 April 1979 as a block and obtained mayors in all major Spanish cities. The Popular Front is thus a present reality. The Democratic Centre Union could in such a case rely on the support of the Democratic Coalition and the Catalan Party, but that would not be enough to prevent the united Left from forming a government.

Once a government uniting Socialists, Communists and regional parties is established, the scene could well be set for a further move to the Left along the lines of the Allende regime in Chile. Both the Socialists and the Communists are republicans, as well as most of the regionals, although it should be noted that since the abortive coup of last February, Señor González has expressed his approval and admiration for the positive role played by the King. The position of the King could be in jeopardy. Although the Spanish Constitution contains safeguards against its hasty amendment, and requires a three-fifths vote and, under some circumstances, a two-thirds vote to make amendments,[6] there is no guarantee that the congressional majority would not adopt other than constitutional means to set up a Republic.

Another military coup could then be expected, but it is by no means a certainty. The military element in Spain suffered from internal division in the abortive coup of 23–24 February 1981, which did not enjoy wholehearted support among the officers. While the generals wavered, the King threw all his authority in support of the Constitution and democracy, and the generals obeyed. This occurred only because the King, himself a graduate of the Military Academy in Zaragoza, is closely linked to the armed forces who regarded him as one of them. It may be asserted, that the armed forces were at that time the only group in Spain that fully supported the King. That has changed since then, as a great number of officers questioned the King's intervention on behalf of the status quo. His loss of support within some sections of the armed forces due to his actions of 23–24 February could mean that next time he may not be obeyed. The leaders of the coup had envisaged a military government under the King to hold power only until terrorism

[6] Under Article 167 of the Spanish Constitution. For further information, see George E. Glos, 'The New Spanish Constitution, Comments and Full Text', *Hastings Constitutional Law Quarterly*, Vol. 7, Fall 1979, No. 1, pp. 47–128.

was wiped out. Their demands were thus rather modest. Also, they had given Señor Suárez ample time to crack down on terrorism before they acted out of sheer exasperation at the presumed inactivity of the new Calvo Sotelo government. By his action, the King may have done enough to alienate the armed forces and undercut the only true support he may have had.[8]

The action of the King to protect the constitutional status quo and the politicians from the armed forces enhanced his immediate popularity in the country, but may in the long run, turn out not to have been in his best interest. Apart from the armed forces, his support comes only from the Democratic Centre Union. The Left are openly republican and the remainder of the political spectrum which is composed of the Right and some regional parties is rather unconcerned. With the expected downhill slide of the Democratic Centre Union, the support for the King might also weaken. As for the armed forces, they will go their own way. Any support for the King in any future crisis would have to be also in the armed forces' interest.

### Future prospects: a plea for a grand coalition

The present problems of Spain have to be considered against the existing political background. Since the establishment of the present Spanish regime after the 1 March 1979 elections, the country was ruled by a minority government of the Democratic Centre Union. The support it obtained from the Democratic Coalition Party, the Catalan Party, and sometimes from the Basque Nationalist Party to keep it in power, was a limited one aimed to prevent it from falling with the resulting prospect of new elections, which it is thought would favour the Left. Major projects of the government could not be realized since these political groups declined their support. The Suárez government and even more so the Calvo Sotelo government have been virtually caretaker governments. None of the above groups would enter the government as they do not wish to be identified with the Democratic Centre Union, and the Democratic Centre Union prefers them not to participate as this would increase its own difficulties: the political interests of the above three political groups are rather divergent and to accommodate them in a coalition would almost certainly strain the existing precarious balance among the existing political groups within the Democratic Centre Union to a breaking point. So the understanding is that a minimum of co-operation will be forthcoming in the only interest of preventing a leftist government from taking office. Most of the present ills of Spain originate from these facts. The electorate is so divided that a government that would enjoy majority national support seems to be beyond the existing possibilities. But precisely such a situation developed during the Republic in the 1930s and led to the civil war. The question is, how will it turn out this time?

An obvious solution of the problem has always been apparent, namely, a grand coalition of the Democratic Centre Union with the Socialist Workers' Party. Together they would hold 284 seats in the 350-seat Congress of Deputies, an overwhelming majority. Even if both would possibly lose some votes in future election

[8] Since this article was written, 100 junior army officers and NCOs from Madrid garrison were placed under 14 days' house arrest and their ringleaders dismissed from their posts for issuing a critical Manifesto on 5 December, timed to coincide with the third anniversary of the referendum approving the Constitution, and supporting those awaiting trial for the failed February coup.

due to the loss of support from some of their members opposing such a coalition, their absolute command of the political scene would be beyond doubt and they could govern Spain under the present Constitution for an unlimited time which could be counted in decades. A happy coalition of these two parties would bring Spain all it needs, especially a stable government and internal peace. The Socialists have been making exploratory advances for a long time and, after the abortive coup of 25 February, the leader of the Socialist Workers' Party, Señor Felipe González, made a formal offer of a coalition in his speech in Congress on 2 March 1981. Significantly, he was applauded by a number of the Democratic Centre Union deputies, but Señor Calvo Sotelo would not agree. The reason given by the Calvo Sotelo government for its refusal to enter into a grand coalition with the Socialists was the same which militates against a coalition with the small parties, namely, the virtual impossibility of making such an agreement on behalf of the various interest groups within the Party. The Democratic Centre Union could possibly split in an attempt to formulate a government programme for such a coalition. This may seem a little exaggerated, although nobody doubts the utmost difficulty of the task. Yet, the reward of success would be so great that it would outweigh any loss to the Democratic Centre Union. A grand coalition would be a victory for Spain, for democracy and political stability. A sacrifice for a good cause would be repaid hundredfold. While on a visit to England, Señor Felipe González commenting on the refusal of the Democratic Centre Union to form a grand coalition with the Socialist Workers' Party said on 10 March, that he considered the refusal an error of historical proportions. That may well be the case.

It is well known that the Socialist Workers' Party represents a broad spectrum of the Spanish Labour movement ranging from moderate centre to the nearly extreme Left. Señor González, the Secretary-General of the Party, represents the moderates. He describes himself as a Socialist but not a Marxist. So long as he is at the helm of the Socialist Workers' Party, the Party will be in good hands as far as democracy and freedom in Spain are concerned. A coalition with the Democratic Centre Union would make the moderates within the Socialist Workers' Party stronger and would greatly contribute to the consolidation of the Party as one of the major pillars of the new Spanish democracy. The refusal, which actually occurred, may weaken the standing of the moderates within the Party and make it veer to the Left. In view of the sliding popularity of the Democratic Centre Union with the electorate, the refusal seems quite incomprehensible. The Democratic Centre Union is probably mistaken when it thinks that there will still be plenty of time for a grand coalition after the next elections should the Democratic Centre Union lose enough seats for the Spanish Left to form a government. Under such circumstances a Popular Front government would be a certainty—the left wing of the Socialists would make sure of that. It thus appears that the Democratic Centre Union made a truly historical error in refusing the Socialist initiative for a coalition government. The matter could still be remedied as the Socialist Workers' Party continues to offer its partnership to the Democratic Centre Union government, but time will soon run out.

# China's reunification offensive and Taiwan's policy options

HERBERT S. YEE

ON the eve of the 32nd anniversary of the founding of the People's Republic of China (PRC), Ye Jianying, Chairman of the Standing Committee of the National People's Congress, announced a nine-point proposal as a basis for negotiating with Taipei concerning the return of Taiwan to the mainland.[1] Ye appealed to the Kuomintang (KMT) government in Taipei to co-operate for the third time with the Chinese Communist Party (CCP) to accomplish national reunification and proposed that talks be held between the two parties on a 'reciprocal' basis as early as possible.[2] The highlights of the proposals call for mutual trade, postal, air and shipping services, family reunions as well as academic, cultural and sports exchanges. Beijing promises Taiwan that it can enjoy a high degree of autonomy as a special administrative region and retain the current socio-economic system, armed forces and proprietary rights. Ye even hinted at the possibility of co-leadership or coalition government with the Kuomintang in a unified China.

Beijing's recent peace offensive towards Taiwan is a logical and not unexpected move after the Communist regime had dropped the rhetorical 'liberation of Taiwan' slogan and appealed to the Kuomintang and the people of Taiwan for the common and emotional task of 'national unification' in the 1979 New Year's Day 'Message to Taiwan Compatriots'.[3] Yet, the new nine-point scheme, unlike Beijing's past proposals, was specific and presented as the PRC's starting position in future KMT–CCP negotiations. Ye's proposal was followed ten days later by Chairman Hu Yaobang's invitation to President Chiang Ching-kuo and other Kuomintang leaders to visit the motherland.[4] Grand rallies in commemoration of the 70th anniversary of the October 1911 revolution led by Dr Sun Yat-sen were held in Beijing and other major historical sites. The Chinese leaders never failed to point out that socialist China under the leadership of the CCP had fulfilled the wishes of Dr Sun to establish a democratic, strong and prosperous China. Clearly, Beijing's intent was to undermine the Kuomintang's claim to be the vanguard of Sun's political and social ideals and boost the CCP's legitimacy in ruling China.

Knowing the Kuomintang well from past experience, the Beijing leaders must have realized that Taipei would not accept the nine-point proposal. The recent

[1] *Renmin Ribao*, 1 October 1981.
[2] The first period of KMT–CCP co-operation took place in the 1920s when the two parties were united for the historical Northern Expedition against the warlords; the two parties co-operated again during the anti-Japanese war.
[3] *Remin Ribao*, 1 January 1979. [4] *Ibid.*, 10 October 1981.

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peace offensive is ostensibly aimed at creating a favourable and flexible apj to the reunification issue. A blunt refusal from Taipei would lead the wc believe that the Kuomintang is unreasonable, rigid and not willing to compr Beijing has apparently calculated that Taiwan would thus be further is internationally and may be eventually forced to negotiate on the PRC' ditions. To forestall possible future foreign intervention, Beijing has reit that the reunification of Taiwan with the mainland is China's internal affai

The Taipei government has been adamant and consistent in refusing C overtures. One week after the announcement of Ye's nine-point propos Kuomintant regime reiterated Taiwan's position that it would never ne with nor contact the CCP. High-ranking Kuomintang officials repeatedly e sized that the Communists could not be trusted and that negotiation wa by the CCP merely as a disguise or a prelude to military attacks.[5] The T government, however, is hard-pressed to defend its current policy. China' posal is considered by many world leaders as modest, generous and internati acceptable. The US Secretary of State, Alexander Haig Jr, considered the I offer 'remarkable' and hinted that Taiwan should change course and explc PRC's proposal.[6] How long can Taipei maintain its current policy of no ne tion? Are there any other viable policy options? The following paragrapl evaluate Taipei's current policy and other policy options towards Beijing's fication offensive.

### To negotiate or not to negotiate?

The Kuomintang's rejection of Beijing's overtures, though partly colou its paranoid attitude towards negotiations with the Chinese Communists, is on a realistic assessment of the power equation between the mainland a island. Despite relative political stability and the achievement of a much standard of living, Taiwan is no match for mainland China. The power asym is simply too great for any diplomatic skills or sheer human determination tc come. The Kuomintang, therefore, it is generally believed in Taiwan, is bo be the loser if it agrees to negotiate with the CCP. Indeed, the Kuomintang liners argue that to negotiate now is equivalent to surrender. They discard th that their persistent refusal to negotiate may force China to resort to armec to take Taiwan. Acknowledging that the PRC has the military capability to Taiwan, proponents of no negotiation nevertheless insist that the stakes a high for the Communists to use military force against the island in the next c or two. The Beijing regime, it is argued, is preoccupied with its moderni programme that desperately needs a stable and peaceful domestic and in tional environment. A large-scale and costly military campaign against T would thus disrupt China's economic development. Furthermore, Ch threatened in the north and the west by the Russians and in the south by the namese; the PRC could not possibly pull together its vast armed forces to whelm the island of Taiwan without jeopardizing its own national security. overpowered by the PRC's superiority in quantity, Taipei is confident th

[5] *Central Daily News*, 3, 8, 10 October 1981. [6] *The Japan Times*, 16 November 1

Nationalist forces have the advantages of quality over the mainland forces. Th Kuomintang government also believes that the Taiwanese people, with their wa of life and high standard of living threatened by the Communist attack, woul join the Nationalist forces, fight to the last man and serve as the best deterrenc against any possible PRC attack.

The above arguments, though not totally invalid, are false in three importar aspects. First, the arguments over-estimate China's patience and under-estimate it will to use military force. The 1979 Sino-Vietnamese border war has demonstrate that the PRC is not afraid of using armed force against its adversaries even unde the high risk of possible Soviet intervention. There is thus no reason to believe tha the PRC would be restrained from attacking Taiwan by the border threats from th Russians and the Vietnamese. It is probably true that the PRC, realizing the co: and uncertainty of a military attack, would try various means and channels to lur Taipei into negotiations and refrain from using military force. Yet, one shoul never rule out that a militant Beijing leadership, frustrated by Taipei's adamar refusal to negotiate, may resort to a military solution. Indeed, even under prudent and moderate leadership, the PRC, after 10 or 20 years' futile attempts t persuade the Kuomintang to come to the negotiation table, may be forced t choose the military option. In short, if Taiwan persists in the policy of no negotia tion, a military attack from the mainland might be inevitable. The only questio is when.

Second, proponents of no negotiation have under-estimated the economic an technological progress of China. While there is little doubt that Taiwan ha achieved remarkable economic growth and raised significantly the technology lev of its people in the last three decades since its separation from mainland Chin the socio-economic structure of the mainland, though admittedly at a relativel slower pace, has also undergone great changes.[7] Even granting that Taiwa will continue to develop at a faster rate than the mainland in the coming decade thus widening the gap of living standards and possibly technology, the *absolu* gap of overall power asymmetries between the two will be further widened becau: of the sheer size of the mainland. (Both the area and population of mainlan China are more than 50 times those of Taiwan.) Furthermore, by concentrating o certain crucial areas, the PRC, with its abundant and intelligent human resource hard-working scientists and technicians, may achieve significant break-througl in military or related technology. With an increasing advantage in quantity an narrowing gap in quality, the PRC may one day be tempted to use its armed forc to resolve the diplomatic and political deadlock over the reunification issue.

Third, the support of the Taiwanese people is often taken for granted. Influence by the Kuomintang propaganda over the last three decades, which has blocke and distorted news pertaining to social and economic developments in the mai land, the people of Taiwan know very little about the actual progress on the oth side of the Strait. To the average Taiwanese, mainland China is extremely po

[7] See Michael Yahuda, 'Modernization and foreign policy in China', *The World Toda* November 1980, and W. Klatt, 'China's economy in the Year of the Cockerel', *ibid.*, Septemb 1981.

and backward, politically unstable and ruled by a totalitarian regime that allows no private property and freedom. Yet, as more Taiwanese travel abroad, more will learn about the real China through the foreign press and media. In fact, an increasing number of Taiwanese have already experienced contacts with people from the mainland in international conferences and sporting contests. A stable and steadily progressing China would make an irresistible appeal to many nationalistic Taiwanese who want to see a strong and unified China. Moreover, under increasing political pressure for negotiations from Beijing, as well as diplomatic pressure from other major, neighbouring powers, which do not want open warfare in the Western Pacific, Taipei will have a hard time to persuade its people to accept the wisdom of the 'no negotiation–no contact' policy. Indeed, unexpected economic decline in Taiwan (given the island economy's extreme dependence on international trade, a world-wide economic retrenchment would plunge Taiwan into serious recession) may lead to increasing domestic pressure for economic and other exchanges with the huge mainland market. After all, the conflict in the Taiwan Strait is the continuation of China's civil war. The people of Taiwan will support the Kuomintang's policy only if it is in their best interest.

Clearly, the Kuomintang's current policy is aimed at maintaining the status quo. Yet it is very difficult, if not impossible, for the weaker side to maintain the status quo if its stronger and aggressive opponent wants to change it. Moreover, the power asymmetries between the mainland and Taiwan have forced the latter to respond, allowing it little chance to take the policy initiatives. In all circumstances, external aid, and military supplies from the United States in particular, is crucial to the very survival of Taiwan as a separate political entity. It is thus understandable that Taipei is overtly concerned about arms sales from the United States, especially high-performance aircraft which are indispensable in maintaining air control over the Strait. When asked whether they could trust the Americans, Taiwanese officials admitted to some doubts, yet stressed that Taiwan must, nevertheless, rely on the United States for military supplies.[8] What Taipei fears most is international isolation, and a scenario in which the United States and other major powers would stop all military and technology assistance to Taiwan and side with the *PRC* in urging the Taiwanese to negotiate with the mainland. The irony is that Taipei's current policy of no negotiation might lead exactly towards such an unfavourable scenario. An increasing peace offensive from China and a persistent refusal to negotiate from Taiwan may persuade the United States and other major powers, which have higher political and economic stakes in their relations with Beijing than Taipei, to keep their hands off and forsake the island.

In sum, Taipei has chosen the no-negotiation policy in response to the PRC's recent nine-point proposal regarding reunification not necessarily because it is the best or most desirable one but rather, as far as the Kuomintang is concerned, for lack of any other feasible alternatives. Taipei has dismissed other policy options as academic and unrealistic. A closer look at the alternatives, however, suggests that the possibility of Taiwan turning to one or a combination of these options should not be totally written off.

[8] Author's interview with Taiwan officials, 4 November 1981.

**Taiwan's other policy options**

The obvious policy alternative for Taipei is to accept Beijing's proposal fo negotiations. This does not mean that the Kuomintang would have to accept al of China's nine-point conditions: Taipei could counter-propose a different set o conditions as a basis for negotiation. Negotiation is never a zero-sum game; evei the loser will have something to gain if an agreement could be reached. It has beei suggested that Taipei should take the initiative and bargain from a position o strength founded on its higher standard of living and more advanced level o technological know-how. Taiwan could even invite mainland journalists to com to Taiwan to see its flourishing economy. That would put the burden of reactioi on the mainland government.[9] More important, perhaps, Taiwan could thu demonstrate its reasonableness to the world and its sympathizers, so that, if nego tiation failed, Beijing rather than Taipei would be blamed.

The common wisdom in Taipei, however, is that the PRC, in the event o negotiations breaking down, which is highly probable given the seemingly un bridgeable positions of the two sides, would use, or threaten to use, armed forc against Taiwan. In other words, to negotiate with China would be like givin Beijing, sooner or later, an excuse to attack the island. Moreover, the Kuomintan fears that an agreement to negotiate would have an adverse psychological effec on the morale of the Nationalist troops and civilians that would make Taiwa doubly vulnerable in the event of a military attack or other forms of Communis subversion. Nor is the Kuomintang's paranoia concerning negotiations with th CCP totally groundless. Yet, judging by China's past behaviour, for instance, durin the Sino-US Warsaw talks or the Sino-Soviet border negotiations, Beijing ha shown itself to be patient and prudent in maintaining a dialogue with its opponent and willing to wait for a better occasion for reconciliation whenever negotiation break down. There is little reason to believe that Beijing will adopt a more aggre sive attitude in dealing with the Taipei government.

Understandably, the Taipei government may have difficulty in switching fror a steadfast position of no negotiation to initiating contacts with the mainlan Sizeable capital out-flows and withdrawal of foreign investments may cause som economic damage. Some kind of reassurance from both the Taipei and Beijin governments, however, could easily restore the island's social and economic orde In all likelihood, granting even an extremely generous Beijing regime, Taipei ma not be able to maintain the status quo in a future negotiated agreement with th mainland government. Yet, in the final analysis, negotiation is the only means t prevent a military show-down. One should, therefore, never rule out the possibilit of a complete turnaround in Taipei's current policy of no negotiation.

Another policy option which is discarded by the Kuomintang is the 'Sovi card'. Taipei insists that it is the Nationalist government's long-established polic not to have any political and military relations with Communist states, includin the Soviet Union. Besides, the Kuomintang's past experience in dealing with th Russians has not been any better than that with the Chinese Communists; Taip

[9] Victor H. Li (ed.), *The Future of Taiwan: A Difference of Opinion* (New York: M. E. Sharp 1980), p. 79.

has reiterated that the Kremlin leaders could not be trusted. The Soviet Union, however, may be more than willing to engage in some kind of military co-operation with Taiwan because the Russians have a strategic interest in preserving a separate Taiwan. A strong and unified China is the last thing the Soviet leaders would like to see. It is significant to note that even the Kuomintang's military strategists admit that Taipei and Moscow have 'parallel' strategic interests in the Taiwan Strait; they do not rule out the possibility that the Nationalists may one day be forced to choose the Soviet option.[10]

Taiwan's 'Soviet card', however, is often overrated. It also involves high political and military risks. The Russians could deter the Chinese attack against the island if, and only if, they are fully committed to the defence of Taiwan with a formal military alliance that allows Soviet troops to be stationed in the island; anything short of that would only provoke a Chinese attack. Would the Kuomintang accept such a high political price and turn Taiwan into another Mongolia or Afghanistan? One cannot, of course, rule out such a possibility when a new generation of leaders come to power in Taiwan, who, unlike their predecessors, have no sentimental ties with the mainland and little experience of dealing with the Russians, and thus may be tempted to seek an alliance with Moscow out of desperation. Yet the PRC would almost certainly pre-empt, by a military attack or other means, any strategic move towards China's arch-rival. Moreover, the people of Taiwan themselves may abandon the Kuomintang regime and join the mainland forces if the former decides to turn to the Soviet Union, commonly regarded by the Chinese on the two sides of the Strait, as China's perennial enemy.

Finally, two other policy options are occasionally mentioned by analysts of Taiwan's future, namely an independent and soverign Taiwan state and the nuclear option. Both options, however, would provoke and invite pre-emptive attacks from China against the island. It is generally assumed that the Taiwanese would opt for Taiwan's independence rather than accept being ruled by a Communist regime. This assumption may or may not be valid. If the people of Taiwan were given the chance to realize that to choose independence would in the long run bring military attacks from the mainland, it is doubtful if they would support such an option. On the other hand, for Taiwan to go nuclear may be technically possible but not strategically desirable. The island's limited space makes it extremely vulnerable to nuclear warfare; to produce or possess nuclear weapons thus would have little deterrent effect against the mainland. In any case, the military risks are just too high for Taipei to choose either option on its own. Yet, given frustration in a desperate situation, a militant and less prudent Nationalist regime may opt for an independent Taiwan state or go nuclear in combination with a 'Soviet card' and other strategies intended to parry the threat of expected military attacks from the mainland. It is a truism that in politics no possibility should be ruled out, however remote and unrealistic.

[10] Author's interview with military strategists at Taipei's Institute of International Relations, 4 November 1981.

PRINTED IN ENGLAND BY POPPER & COMPANY LTD, WELWYN GARDEN CITY, HERTFORDSHIRE

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THE WORLD TODAY, *founded in 1945, is issued under the auspices of the Royal Institute of International Affairs and published monthly by the Oxford University Press*

**Annual subscription** *from Jan. 1982*
(post free)
*UK £12*
*US $34*
*Elsewhere £15*

**Single copies**
(post free)
*UK £1.20*
*US $3.40*
*Elsewhere £1.50*

*Orders may be sent to booksellers and newsagents or to the Oxford University Press, Journals Department, Walton Street, Oxford OX2 6DP, UK. Tel. 0865 56767*

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CHATHAM HOUSE


ISSN 0043-9134

ROYAL INSTITUTE OF INTERNATIONAL AFFAIRS

# THE WORLD TODAY

EDITOR: LILIANA BRISBY

**February 1982** **Vol. 38 No. 2**

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Manuscripts and correspondence should be addressed to the Editor, *The World Today*, Royal Institute of International Affairs, Chatham House, 10 St James's Square, London SW1Y 4LE.

# Note of the month

## MALTA: MINTOFF'S NARROW VICTORY

AFTER months of speculation, Maltese voters went to the polls on 12 December 1981. With reverential dedication to the democratic process nearly 96 per cent of eligible voters cast their ballots. The atmosphere on polling day has been described as resembling the funereal atmosphere of Good Friday, in this intensely Catholic island. There was also a heavy air of expectancy—would the Nationalist Party (PN) under Dr Fenech Adami prise power from the Malta Labour Party (MLP) under Mr Dom Mintoff? In the event, despite a movement of opinion towards the PN, Mr Mintoff tenaciously clung to power. Although securing 50·9 per cent of the vote, the PN failed to take a single extra seat, leaving the MLP with a fairly comfortable three-seat margin (34 MLP to 31 PN). In fact, the result in terms of votes almost exactly reversed the position in 1976 when a similar plurality of votes gave the MLP a three-seat majority. The outcome, the PN maintains, was due to a number of tendentious changes in district voting boundaries carefully calculated to give maximum advantage to the MLP.

The campaign itself was conducted in typical Maltese style. Huge open-air mass meetings were held by both parties and, in the absence of opinion polls, informed observers noted uncharacteristically large attendances at PN meetings as evidence of a movement of opinion against the MLP. Certainly, since Dr Fenech Adami became PN leader in 1977, the party has taken on a more populist image, with policy commitments that were designed to erode its rather right-wing tradition. These changes in both image and policy posed severe problems for Mr Mintoff and the MLP. PN commitment to maintain Malta's wide-ranging system of welfare benefits, so carefully constructed during Mintoff's ten years in power, meant that the MLP campaign often appeared unable to find a real attacking theme. In this respect, the contrast between the electoral programmes of the two parties is illustrative.

For 30 years, Mintoff has dominated the Maltese political scene by a series of imaginative if somewhat mercurial political surprises. In the 1950s, he campaigned for Malta's integration with Britain, only to reverse his position—on seeing the terms Britain was prepared to concede—to one of independence and a severing of military links between Malta and Britain. He successfully challenged the once all-powerful Maltese Catholic hierarchy and, despite an interdict on him and the MLP Executive, severely curbed the political influence of the Church. In the 1970s, his foreign policy of friendship with the Arab world (particularly Libya) brought tangible economic benefits and goodwill, helping Malta to survive potential financial dislocation when Britain withdrew militarily in 1979. Mintoff concluded a settlement that ended Malta's status as a British fortress after nearly 200 years in which the Maltese benefited and suffered from the vicissitudes of British imperial and defence policy.

However, the recent election produced no policy surprises—at 65 years of age,

Mintoff has perhaps run out of major initiatives. The MLP campaigned heavily on its record, warning of the dangers of allowing the gains of the last ten years to be eroded by an untried opposition. In contrast, the PN seemed distinctly the more radical of the two parties. Its electoral programme contained policy proposals for every conceivable sector of Maltese affairs. Groups of experts and politicians had worked over the last two years producing proposals, many of which were incorporated into a wide-ranging document entitled 'Ripe for Change'. Malta, the PN stated, should take its rightful place as part of Europe by applying to join the EEC, but maintain friendly relations with its Arab neighbours. Major efforts were proposed to diversify the economy into areas attracting new technologies in order to correct a number of industrial imbalances, such as reliance on textiles, which characterized the economic policies of the Mintoff years. The economy, the PN suggested, needed to be liberalized.

The PN theme of change did appear to wrest the campaign from the MLP. Leading from 'left-of-centre', Fenech Adami sought to project his party as a progressive Christian Democratic force from which Malta's working-class voters had nothing to fear. However, if the PN appeared to win the campaign, it did not win the election, and the MLP is safely back in power. However frequently the PN claims to have been robbed of the fruits of victory, it is difficult to see what the party can do about it. The redrawing of the District voting boundaries was legitimately done, even if calculated to give maximum advantage to the MLP.

What is the future for Malta, as Mintoff enters his second decade of power? Despite his years, he remains vigorous and in a commanding position within the MLP. There are no obvious rivals to his position—for as long as he chooses to lead the party, he is unlikely to be challenged. Despite recent conflict with Libya over the right to drill for oil in the sea between the two countries, he will continue to befriend a number of Arab countries. Just before the election was announced, Saudi Arabia agreed to a soft loan of some £15 m. for various development projects. Recently Malta's neutrality has been guaranteed by agreements with Italy and the Soviet Union, and Mintoff has frequently spoken of concluding similar arrangements with other countries, including the United States. Such agreements may have dubious value in an international conflict, but they do have importance for internal political consumption.

Domestic developments are likely to be more problematical. The PN opposition will continue to claim that the MLP is not the legitimate government, thus adding new bitterness to an island so consistently divided by intense partisan conflict. State involvement in the economy will probably keep growing. In such a small island, considerable numbers of people depend upon the state for jobs—unemployment levels have been kept relatively low by a judicious mixture of the formation of various labour corps and the attraction of foreign investment through controlled industrial peace. The largest trade union, the General Workers Union (GWU), has been amalgamated with the MLP. GWU officials occupy a number of economic posts and the General Secretary of the union is often in attendance at Cabinet meetings.

This linking of the MLP, the GWU and the state sector of the economy has been

much criticized by Mintoff's opponents. His characteristic ill-tempered view of opponents has become his style of politics. Policy influence is denied to those outside the network of control centred on the MLP and Mintoff himself. In this may lie the real key to his narrow election victory. The last week of the campaign was characterized by a major effort by the MLP to remind public sector workers that the PN proposals for liberalizing the economy might endanger jobs and even lead to the replacement of MLP government employees by PN supporters. In an island where changes in British defence policy often meant periods of unemployment, such experiences are part of the political culture. The risk of a PN victory was perhaps sufficient to halt the voters in their tracks and keep Mintoff at the helm—albeit very narrowly.

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# The Western Alliance and the Polish crisis

HUGH MACDONALD

In recent weeks, the Atlantic Alliance has again found the greatest difficulty in arraying itself in the face of a crisis in the East. The nature of Soviet involvement in negating the changes wrought by Solidarity during the past eighteen months remains unclear. But after only the briefest pause—a matter of one or two days—the imposition of martial law in Poland on Sunday 13 December began to produce divergent reactions in Washington and in the capitals of Western Europe. That there were important differences among the Europeans, and admissions of uncertainty all round about the course of events inside Poland, was less important as the crisis unravelled than that the United States had from the outset asserted the crisis in the Socialist Commonwealth to be a crisis of East–West relations. But the European allies, even as their misgivings grew in the face of grim evidence of repression, strove to avoid actions against the Soviet Union or Poland which would mortgage their future attitudes in regional international relations.

In refusing to accept the Washington line, the West Europeans triggered a crisis of leadership which had been growing within the Alliance throughout the Reagan Administration's first year. For, even as the active policies of the United States had become more centrist under pressure of domestic and international circumstances, so the pre-emptive ideology with which the Republicans approached international politics—and above all their claim to be Realists who would treat the Soviet Union in terms well understood in Moscow—seemed less and less plausible and more and more dangerous in the eventuality of a super-power crisis. Thus, among the antecedents of events in Poland, the Soviet Union may have predicted that, if the test came which Washington had been hectoring for, and if only its own role in managing events were sufficiently ambiguous, then Washington would so react that America's allies would have to try to control rather than follow their own super-power. In the event, this differential distancing of the Allies from one another and from events in the East did occur, as it had previously when Soviet forces intervened in Afghanistan in December 1979. But in the Polish case the difficulty of discerning Soviet responsibility compounded, and at moments seemed even to rationalize, the critical differences between legitimate reimposition of governmental authority by means of martial law—which nobody suggested was illegal—and the illegitimate use of martial law to reimpose upon Poland the rule of an authoritarian regime which in the past has shown a crude disrespect for human dignity. Indeed, it may have been that reactionary elements in the Polish Party, government, and security forces calculated upon just such a divided reaction, in

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the country itself as well as in the West, and employed the language of patriotism and economic necessity to disguise and lend surprise to their purposes.

The dominant characteristics of the Polish situation when martial law was imposed were the proliferation of actors, the stalemating of effective action amongst them, and the resulting crisis of authority which this precipitated. This leaves the following questions: How is the situation in Poland to be understood? What accounts for the cautious reactions of the West Europeans? And what are the implications for the West of the American reaction to events, whether or not it carries the day in Alliance counsels?

**The sources of crisis**

As long ago as the early weeks of 1981, observers of the Polish situation had begun to ponder the outcome of differences between 'militants' and 'moderates' in the independent trade union organization Solidarity, defining this difference chiefly in terms of possible conditions of compromise with the government and Communist Party on economic reform and hence also political power. Also, from about that time it became clear that the Catholic Church was defining for itself an essentially moderate strategy, in Solidarity terms, which would complicate any major division within the movement. The position of the Church was Augustinian: the fallibility of secular government was recognized, but the necessity of governmental authority was stressed. Hence, whatever its encouragement of demands for spiritual, material and political liberty, for the Church there were evident limitations about how far change was supportable. The Party could be urged to reform, but it could not be ousted. Economic reform to provide for everyday needs was essential, but the fundamental concept of state economic planning was not challenged. Religious freedom and individual liberty were stressed above all, but never in such a way that the dignity of the individual might transform the circumstances of the state.

Yet, as Solidarity and the Church came to depend ever more upon each other, and as divisions in the former became increasingly apparent, the government perceived the Church as a potential ally against the Solidarity militants, rather than simply an independent entity. In turn the Church, as it gained a stronger foothold in both camps, opened itself to being outmanœuvred by *double entendre* or by downright deception. By September, with Solidarity's two-stage Congress bringing the slenderest of mandates for moderation, the strength of the militants could no longer be gainsaid. At this point, the conditional imperative of General Jaruzelski's government—forcefully to intervene to uphold central authority in the name of patriotism and economic stability against both disruption from within and intervention from outside—came to be accepted by many outside Solidarity: in the Church, the Party, the armed forces, among Poland's creditors and, however unorthodox it seems, by elements in the Party in Moscow. Thereafter, the government could hope only to move with cogency as well as force: to persuade most Churchmen by reason of state; most economists by supply and demand; most of the people by patriotism; and even the moderate leadership of Solidarity by the institutionalization of reforms already agreed but not implemented.

But effective reassertion of authority by the existing regime without drastic measures of force, or without compromising itself with one or other of these actors to the detriment of its support by all of the rest, depended upon swiftness. It depended upon the attainment of dialogue simultaneously with Solidarity and the Church, and, in parallel, with the Polish Party and Moscow. It also depended upon the absence of intervention during the critical period of compromise. It was a gamble upon decisive action against great odds. In the event, the imposition of martial law by a Military Council of National Salvation produced only stalemate.

There were several causes for this. Among these, by far the most important were the Soviet-backed attempts to re-establish Party control through threats of military intervention in December 1980 and March 1981. Although these attempts failed, they had negative consequences for all concerned in Poland. They indicated a persistent Soviet will to maintain a leading role in every one of the societies of the Socialist Commonwealth. All action in the Polish arena was influenced therefore by the possibility of extreme Soviet behaviour in support of reactionaries in the Polish Party; and by the necessity for everyone else to deny the Russians a point of entry for the use of force.

The most important direct consequence was the negativeness of Jaruzelski's government, which doggedly refused to negotiate the final implementation of any of the major concessions won by Solidarity, and repeatedly attempted to make unilateral changes in the economy, especially through price rises. Jaruzelski was widely seen as a strong man, but most of his strength was occupied in plugging the dyke against externally inspired intervention, while negotiating without much obvious effect for a compromise with the Church and Solidarity's moderates. But for Solidarity the institutionalization of its political gains—such as the abolition of censorship—was a precondition for any moderate compromise. For Jaruzelski's government, however, any such dangerous concessions depended upon conspicuous progress in resolving Poland's worsening economic crisis. Yet, at the same time any radical departures in the direction of economic reform—such as the decentralization advocated by Solidarity—were rendered unthinkable for the government by their political implications.

Hence, Solidarity too, for all its apparent activity, suffered negative consequences. Its influence with the people depended ultimately on inducing the government to reform the economy in ways compatible both with the higher incomes for workers achieved during the Gierek period, and with the freedoms wrested from the Communist state after August 1979. But the failure of centrally planned import-led growth had resulted in a gross disparity between disposable incomes and the official prices of most commodities. Moreover, industrial production was tending to fall rather than rise, partly due to social unrest, but partly also to the inefficiency of much of the economic infrastructure. Yet more and more modern transport, for example, depended upon imports which Poland simply could not afford, given its foreign debt position and declining real growth.

Many economists thought that the best way of beginning reform would be dramatically to increase prices, so as to soak up 'excess demand', provide a relative redistribution of incomes away from industrial workers to, most importantly, the

independent farmers, and so alleviate the crisis of food shortages. But this was unacceptable to Solidarity in the conditions obtaining after March 1981. The other fundamental way of restoring the economy, without reforming it, would be to resort to direction of labour, together with modifications in the price structure, for as long as it took to restore levels of industrial production and renegotiate external debt schedules. But Solidarity could not contemplate this abrogation of fundamental freedoms. As it became clearer that the terms of prosperity and the terms of freedom could not be managed in concert with a government transfixed by the prospects of external intervention and domestic economic deterioration, Solidarity was increasingly wracked by its consciousness of the needs of the people. This led it into an internal crisis, in which those favouring compromise with the regime were eventually outvoted by those who saw radical political reform, whatever its risks, as the only way forward.

With the position of the militants in Solidarity growing stronger, the Church became ever more hostage to the dilemma of its own creation, its position of influence with both the government and the Solidarity moderates. If it failed to support Jaruzelski in acting against the militants, the militants might win the day and extinguish its ability to mediate in crises. On the other hand, if it supported the government, it could compromise its authority with the people, embark upon a course fraught with moral danger, and court the reassertion of hard-line party control. In the end, the Church did not clearly choose either course. Its earliest statements indicated an expectation of acting as intermediary between government and Solidarity moderates. Later, however, its tone became firmer. It both criticized violations of human rights perpetrated during the imposition of martial law, and advocated a return to dialogue between people and government through a restored Solidarity. But during the critical first week, the Church seemed stalemated by its ambivalent position in the crisis.

While both Solidarity and the Church were prevented by their internal dilemmas from co-operation with the Military Council, the generals who claimed to have taken power failed to produce any dramatic resolution of the economic and political crises which now embroiled the country. Initially, the Military Council not only proscribed Solidarity but also banned all local political activity by the Party. Yet, it promised an expeditious return to normalization, with the restitution of all the rights agreed in the Gdansk and Szczecin agreements, and the restoration of Solidarity. But nothing was heard from the detained Lech Walesa or Archbishop Glemp, and mass detentions, curfew, censorship, restrictions upon travel and communications, internally and with the rest of the world, were followed by strikes and, in several places, killings. Thereafter, evidence gradually accumulated that Jaruzelski either had lost his nerve or had been outflanked almost at the outset by the Party hard-liners actively backed, and perhaps forewarned, by the Soviet Union. Plain-clothed Russian advisers; renewed Party activity in the factories and regions; an extensive purge of the Party, perhaps halving its numbers; and the steady hardening of government pronouncements about conditions for normalization, including the abolition of Student Solidarity, all led to expressions of fear that the clock was being set back many years. Indeed, the steady reiteration

of a 'statist' approach to post-martial-law legitimacy, the oaths of loyalty demanded of workers, the obvious attempts to curtail links between workers and intellectuals, and between the regional branches of Solidarity and its formal centre, suggested that Jaruzelski's initial language, moderate and patriotic, had not prevailed. Many in the West were prepared to think that he had made himself the tool of Party hard-liners, who had counted upon an opportunity to discredit Solidarity and impose martial law since the undermining of Stanislaw Kania in March 1981.

However, there were also some indications of a renewal of more moderate Party activity. Hard-line as well as pro-Solidarity officials were sacked; the numbers purged from the Party appeared to include many functionaries whose demoralization had acted as a dead weight against reform; and the Courts freed numbers of workers accused of organizing illegal strikes. Moreover, even as the Church, after the renewal of communications between the Polish Bishops, Rome and the Warsaw authorities, became strongly critical of martial law, and demanded the freeing of detainees, the authorities stopped censoring foreign news dispatches. Poland's Deputy Prime Minister visited Bonn early in the New Year, but could give no clear assurances as to the ending of the emergency. All of this suggested uncertainty rather than undiminished reaction; that the Military Council remained an actor distinct from, and more certain of itself than the Party; and that the Party probably remained deeply divided within itself about how its authority could best be re-established.

Nevertheless, the most neutral view could not be an optimistic one. Whether through ambivalence on the part of major actors, lack of resolve or failure of nerve by the generals, or a clever 'coup within a coup' by reactionary Moscow-supported elements in the Party, Jaruzelski's dramatic attempt to break the mould of stalemate in Poland had failed. That failure was now being exploited by the Party in an attempt to purge itself and reassert its controlling authority. However, it remained possible that another power struggle was taking place within the Party, between figures whose identities can be guessed at, but whose positions at this stage cannot.

**Reactions in the West**

In this evolving situation, the reactions of West European governments became more rather than less tolerant until a meeting of European Community Foreign Ministers on 4 January, and a special Nato ministerial meeting a week later, induced a toning down of differences among the Allies. Nevertheless, all European countries were agreed about one thing—they would not follow the American lead in imposing sanctions against Poland and the Soviet Union.

In part, this was explicable by prudence. As Mr Denis Healey suggested in Britain, if the dominant issue was Soviet involvement, then it was better to reserve major changes of policy, and sanctions, until the evidence was sufficient to warrant such an important reinterpretation. When Chancellor Schmidt spoke to Congressional leaders and visited President Reagan on 5 January, he adopted a similar line of reasoning, which was politely reflected in the official communiqué after his White House visit, but more graphically depicted by the comments of several Senators who indicated that the Chancellor had been bluntly critical of the haste

and lack of consultation in Washington's early reactions to the crisis. Indeed, Schmidt's prudence, and the emerging imperative of deciding upon common action, seemed to bring the Germans closer to the American view of events. Yet even so, the Chancellor, back in Bonn, suggested an early summit between President Reagan and President Brezhnev to dispel Soviet misperceptions of American lack of resolve! Thus, underlying European prudence was a considerable antipathy to the *modus operandi* of American foreign policy, to its combination of ideological rigidity with hasty but not very convincing action.

For other West European governments, such as France and Greece, there were additional motivations in refusing to consider sanctions against the Russians. For Greece, there seemed positive advantages in domestic politics to being seen as the odd man out in Allied counsels. The Greek Foreign Minister was sacked for signing the EEC communiqué, which entailed no effective action but promised not to undermine American sanctions against Russia. Greece also dissociated itself from those parts of the communiqué of the Nato ministerial meeting which referred to Soviet complicity in Polish events. France may have considered domestic advantage, too, in its positions, but the French were openly condemnatory of American double standards, pointing to support of militaristic regimes in Central America as scarcely consistent with condemnations of human rights violations in Poland. The British position was mixed: there was some feeling that at the end of the day Americans and Europeans would be drawing the same conclusions about the tragedy unfolding in Poland, but that American reactions had been precipitate and barely effectual, and had seriously impaired the chances of a more cohesive and determined Alliance response. Rome, having oscillated between passivity and anger, by the third week of martial law was taking an ostensibly informed line of critical pressure, suggesting that economic assistance to Poland was right and proper but that the state of martial law must be ended. Altogether, the European reaction was a rejection of American leadership, which, it was said by one American journalist, led the President to wonder aloud at a National Security Council meeting about 'the value of allies'.

Despite continuing disagreements, a cohesive Alliance position began to emerge with the Nato special ministerial meeting in Brussels on 11 January. Perhaps surprisingly in view of what had gone before, it was West European attitudes that were reflected in the operative parts and tone of the communiqué. The Allies did not adopt sanctions against Poland or the Soviet Union, but agreed to draw up a set of measures to be implemented if the situation in Poland did not improve. The Soviet Union was condemned for its 'sustained campaign' against the 'efforts of the Polish people for national renewal and reform', and for 'its active support for the subsequent systematic suppression of those efforts', all of which was deemed inconsistent with the principles of the Final Act of Helsinki. Developments in Poland demonstrated 'the rigidity of the Warsaw Pact regimes with respect to those changes necessary to meet the legitimate aspirations of their people'. None the less, it was to the acts of Poles against Poles that the communiqué principally referred, and against which the criteria of improving the situation were set: the re-establishment of civil liberties and reform, the ending

of martial law and the recommencement of a dialogue between the government, the Church and Solidarity.

In the next few days, it was the actions of European officials which marked the most important, and in some ways gravest, step taken by the Alliance. For, meeting in Paris on 14 January, they decided not to underwrite further deferment of Polish debt and interest repayments, although the eight-year rescheduling arranged in 1981 was to continue. In the short run, Poland would need to find some $3 billion by the end of 1982, which it could do only with Soviet assistance. Otherwise, it would be forced to default on its obligations. The serious impact of this step could not be doubted, though its consequences remain to be seen.

**Crisis management in the Alliance**

Why should intra-alliance relations have become more important, in a sense, than the situation in Poland? Several different answers are possible. One is that to Europeans domestic politics in Poland really do not matter as much, whatever is said to the contrary, as businesslike East–West relations in Europe. This is an explanation which gained considerable currency in Washington, and it carried decidedly critical anti-German overtones. Even before the present crisis, a major natural gas and pipeline construction agreement between the Federal Republic and the Soviet Union was a cause of concern across the Atlantic. But the argument could be applied in reverse, for the United States had not embargoed grain exports to the Soviet Union; it had not jeopardized the Geneva negotiations on Intermediate Nuclear Forces; and it had not abandoned the stalemated European Security Conference in Madrid, and indeed enjoined its allies to call for its early reconvening.

A second, different, answer is that what happens *within* Poland is more important to the West Europeans than to the United States. In this sense, the continuance of *some* independent process of reform matters more than the nature and extent of Soviet or Polish Communist interference at any one point in time. The West European stake in economic development in the East is large: in Poland alone, it already amounts to $25 billion, and further major loans were being considered prior to the imposition of martial law. These loans, underwritten by governments, express a crucial differentiation between support for economic and social development within the limits imposed by Soviet security doctrine and ideology, and acceptance of exclusive military blocs determined by great-power relations. But sustaining that difference, and translating it into effective regional détente, is ultimately dependent upon the evolution of political relations, and is fragile in crisis.

A third related answer is that for the West Europeans a pre-condition of the evolution of East–West relations in Europe is that the region should not be the subject of super-power confrontation, whereas for the United States this is not necessarily either an interest or a presupposition in the same terms. The Polish crisis appears to indicate that the West Europeans are caught in an extremely difficult position, for the Soviet Union notionally and rhetorically supports the same conception as themselves—the idea of Europe from the Atlantic to the Urals

as a zone of peaceful coexistence—but in practice it is always prepared to invoke special rules of international relations appropriate to 'socialist' states, even if this involves the threat of force and the risk of super-power confrontation. On the other hand, however erratic and at times arrogant American foreign policy behaviour may be, the fundamental interests of Western Europe and the United States remain intertwined: *any ultimate resistance against Soviet pressure depends* upon availability of American military power.

How has this led to disagreement between the allies? It has been argued that the European allies should follow American leadership in imposing sanctions against the Soviet Union, for the latter is attempting to uphold an obsolete and redundant pattern of international relations in Europe, the 'Yalta system', based upon untenable exclusive spheres of influence. Whereas the European allies of the United States seek to transcend the Yalta system by natural economic and social evolutions, reinforced at appropriate stages by formalized agreements which might then serve as 'points of pressure', or foci of deterrence, conceived as an admixture of economic carrots and sticks, the American view of transcending Yalta suggests that contracts are exchanged in advance, and indeed that reciprocity and linkage may operate tacitly. Thus the Soviet Union is perceived by the United States to be breaking East–West understandings in employing threats to prevent pluralist evolution in Poland, even though there is no legally binding contract which can supplant Yalta and Potsdam, the Helsinki Final Act being an important, but entirely voluntary, set of undertakings. While, therefore, there may be no essential differences between Europe and America over the significance of developments in Poland, there are critical differences about the management of the Alliance in crisis. By reacting as and when it did to Polish events, Washington crystallized these.

From a European point of view, the fundamental problem was the discontinuities of administration within US foreign policy making. Such an open structure as the American one, giving so much influence to relatively youthful figures who lack experience in government, let alone in crisis management, appears to create a strong tendency for individual actors to transpose the context of their domestic society on to international affairs, suggesting not only that the national interest is what they perceive it to be in partisan terms, but that this partisan domestic view also coincides with the international interest. Hence, in an indirect fashion, such extraordinarily complex notions as order and justice in international relations become extensions of domestic conceptions: in the Polish crisis, Poles who are losing their freedom become surrogate Republicans, struggling against the insistent domination of Soviet Communism; and American leaders who espouse ideas of liberty similar to those aspired to by Solidarity, see its suppression within the Eastern system as a crisis between East and West.

From an American point of view, Europeans equally may be seen to be deceiving themselves: dismayed by the situation in Poland, to which they cannot respond forcefully, and perhaps dare not even if they could, Washington's assertive leadership becomes an alternative object upon which to vent frustration.

None the less, the issue of Soviet responsibility which split the Alliance because

of the way that it was used in Washington, can be seen as one which confused and delayed intra-alliance decision-making in complex circumstances of crisis, when quiet consultation might have resulted in more rapid and effective joint action. Whatever pre-planned options may have been elaborated since March evidently did not fit the Polish situation as it developed. The Administration in Washington reacted rapidly to this lacuna, but perceived it in terms of the principles of superpower relations. The West European allies reacted cautiously, less through inferior sources of intelligence than because of a different level of concern with Poland's domestic situation. Given these uncertainties and differences, the Alliance managed the situation poorly: American-European differences escalated, as ideological presuppositions and a backlog of other grievances met each other and a set of difficult decisions demanding searching examination of individual national interests as well as collective compromises.

The week since this article was completed brought no fundamental clarification of the Polish crisis, though the limitations upon governmental action on all sides became more obvious.

In the East, the actions of the Polish authorities remained dichotomous. Massive price increases, with some income compensations, were announced to take effect from the end of January. Earlier, Soviet credits of some $2·5 billion had been negotiated to allow Poland to meet its CMEA export commitments during 1982. Discussions in the Church–State Commission were resumed. The Polish episcopate addressed at least two letters to the authorities. It also suggested that American sanctions against Poland were wrong. Yet the tone of the Church's public statements remained deeply critical, and Archbishop Glemp is said to fear civil war. Deputy Prime Minister Rakowski stated that he did not know definitely when martial law might end, but other of his remarks encouraged speculation that this might occur in a few weeks. Negotiations over the fate of Lech Walesa and the future of Solidarity were said to be under way, but without progress. It seemed that the Military Council was anxious to be seen in the best possible light in the West, but also that it hoped public reactions to economic changes might be passive enough to permit a return to barracks.

In the West, Americans and supporters of a militant Solidarity were united in pessimism about the motivations and directions of martial law, and would accept neither the domestic analysis offered here, nor that of the generals. West European governments were noticeably reticent, perhaps intent upon observing events as they prepared to take sanctions. None the less, the objective of any Western action, providing the Polish situation did not deteriorate further, seemed more clearly now to be that of sustaining dialogue and reform within Poland, and preventing the self-policing terms of the Brezhnev Doctrine from eroding all differences between the Polish situation and that of Czechoslovakia after August 1968.

# East–West trade: US policy and European interests

STEPHEN WOOLCOCK

THE declaration of martial law in Poland on 13 December 1981 came at the end of a year in which the Reagan Administration and the West European governments had sought to come to terms with their different approaches to East–West trade. Whilst such differences have often existed, the latter half of the 1970s was marked by a divergent trend in Western policies. The respective responses to events in Poland are therefore of fundamental importance to future Alliance politics on East–West trade and economic relations.

This article examines the reasons for the divergence between the US and European approaches. It then looks at how the experience with trade sanctions against the Soviet Union following the invasion of Afghanistan, and the election of President Reagan have influenced US policy formulation. Finally, it discusses longer-term implications for East–West trade of the possible outcomes in Poland, and the US and European responses to these developments.

## The background

Differences have always existed between Europe and the United States on East–West trade. Even during the 1960s, European governments led by France and Britain pressed for a progressive normalization of trade against a rearguard action by the US. Indeed, until well into the 1960s, Britain was Comecon's leading trading partner in the OECD. Europeans have always had doubts about the effectiveness of embargoes and trade sanctions, but until the mid-1960s strong US leadership on security issues and relatively low levels of trade meant that such differences could be contained.

In the late 1960s and early 1970s, European and American policies on East–West trade experienced a relatively harmonious period. The US pursuance of détente and an extensive normalization of trade and economic relations with the Soviet Union meant that US policy and European interests converged. As the 1970s progressed, however, the general approaches to trade with Comecon on either side of the Atlantic began to diverge.

The early 1970s saw a general increase in the level of East–West trade. Led by the Federal Republic of Germany (FRG) which soon outpaced the UK and France, trade with Comecon assumed a more important share of total European trade. This trend peaked in the mid-1970s, however, and Western Europe's trade dependence on Comecon declined subsequently (see Table).

By 1980, Western Europe accounted for no less than 80 per cent of total OECD–

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TABLE: Percentage share of trade with Comecon in total trade

| | 1970 | | 1973 | | 1976 | | 1979 | | 1980 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Im | Ex | Im | Ex | Im | Ex | Im | Ex | Im | Ex |
| FRG | 5·8 | 3·8 | 4·2 | 5·5 | 4·6 | 6·1 | 5·0 | 5·1 | 4·5 | 4·9 |
| I | 5·6 | 5·4 | 5·3 | 4·5 | 5·7 | 5·3 | 4·8 | 5·8 | 3·6 | 3·5 |
| F | 2·4 | 3·6 | 2·7 | 3·6 | 3·1 | 4·9 | 3·0 | 4·2 | 2·6 | 4·5 |
| UK | 2·8 | 3·1 | 2·3 | 2·5 | 3·3 | 2·5 | 2·8 | 2·3 | 2·5 | 2·4 |
| USA | 0 6 | 1·0 | 0·7 | 2·6 | 0·7 | 3·1 | 0·6 | 3·3 | 0·6 | 1·7 |

*Source:* OECD Foreign Trade Statistics, Series C.

Comecon trade, the nine EC countries for some 60 per cent. By far the most successful in Comecon, as in other markets, was the FRG with more than 25 per cent, including inner-German trade with the German Democratic Republic (GDR). In comparison, Britain's share fell to 6·7 per cent; this was below Italy's 10 per cent share and France's 12 per cent. The US accounted for only about 9 per cent of exports (largely grain) and 3 per cent of imports.

In the United States, the concept of détente came into question in the 1970s. Well before the Soviet invasion of Afghanistan, the view that increased economic links could help bring about political progress had already been largely discredited. In Western Europe, however, the commitment to the concept of détente remained strong even if the terminology fell into disuse. The FRG, in particular, had a vital interest in maintaining existing links with the GDR, Eastern Europe and thus the Soviet Union. West Germany had always avoided explicit linkage between trade and politics, except on Berlin, so that political set-backs did not necessarily affect trade relations. The consensus in the FRG was that trade and economic links could help ease political tensions. Any implicit linkage was therefore in the form of trade inducements. Whilst the rhetoric may have changed, underlying beliefs have not, so that the West Germans still see trade as a means of stabilizing East–West political relations.

For obvious geographical, political and humanitarian reasons, Britain's stake in détente may not have been as great as the FRG's. The UK nevertheless favoured the concept of détente and sought to improve trade relations for economic reasons. France, for its part, also saw political and economic advantages in maintaining trade links. The divergence in trade patterns therefore reinforced perceptual differences between the United States and Europe. Whilst the US has reverted to a position in which security interests predominate, the relationship between economic and security interests in Europe remains more balanced.[1]

As early as the mid-1970s, US policy-makers began to discuss the possible implications of this divergence in trade patterns. Under the Carter Administration it became a real issue.[2] The vacillations of American East–West trade policy, in particular its foreign policy controls, increased the disillusionment of US exporters with Comecon markets and thus contributed to a further decline in US

[1] S. Woolcock, *Western Policies on East–West Trade*, Chatham House Paper No. 15, forthcoming.

[2] S. P. Huntington, 'Trade technology and leverage: economic diplomacy', *Foreign Policy*, No. 32, Fall 1978.

industrial exports to the East. All the same, US grain trade continued to grow so that, at the end of the 1970s, grain (along with some raw materials) accounted for no less than 80 per cent of US exports to Comecon (Standard International Trade Classifications 2 and 3). In comparison, more than 80 per cent of European and Japanese exports to Comecon countries were in the form of industrial goods, plant and transport equipment (SITC 6, 7 and 8). For Western Europe, imports from the East remained, as always, largely in the form of raw materials and energy. In the case of the continental European economies, energy accounts for as much as 45 per cent of all imports from Comecon and 75 per cent from the Soviet Union. On the specific issue of FRG dependence on Soviet energy, this source accounted for about 6 per cent of total German imports in 1980. In addition to divergent levels of trade, there are therefore also marked differences in the composition of East–West trade. US economic interests in trade lie in grain, whilst Europe's interests lie in industrial plant and equipment.

The Carter Administration reflected these factors in its approach to East–West trade. It came out initially against the use of the food weapon or trade sanctions on the export of US grain. In negotiations with West European governments in COCOM,[3] the US proposed some monitoring of the sale of turnkey plants with a value of more than $100 m. This reflected the US concern that Western Europe was continuing to provide the Soviet Union and Eastern Europe with industrial plant, without due consideration of the long-term effects on international security. The origins of this US proposal can be traced to an influential report commissioned by the US Department of Defense[4] in 1976, which found that turnkey plant projects were an effective means of obtaining Western manufacturing know-how. As the Soviet Union needed such know-how to improve productivity and thus economic growth, there was a need for some form of surveillance or control of such exports.

The same report was the origin of a further US proposal tabled in COCOM in 1979. This was the progressive introduction of 'critical technology' as a criterion for Western security controls. In the 1979 Export Administration Act,[5] which governs US export controls, the Department of Defense was given the job of evolving new criteria for export controls based on the concept of 'critical technology'. In essence, this approach involved controlling the transfer of know-how which could be used to manufacture high technology equipment with military applications. It differed from the COCOM criteria employed by the Europeans in that the latter relied on a list of specifically defined products rather than a list of security-sensitive technologies.

The European response to both these proposals was, at best, sceptical. On the one hand, industrial plant accounted for a large part of West European exports to the East. On the other, the Europeans considered the concept of 'critical tech-

[3] The Co-ordinating Committee on East–West trade, established in 1949, which co-ordinates the West's control of high technology exports for reasons of security.

[4] US Department of Defense, *An Analysis of Export Control of US Technology—a DoD Perspective* (Washington DC: Department of Defense, 1976).

[5] US Department of Commerce, *Overview of the Export Administration Program* (Washington DC: Department of Commerce, 1979).

nology', at that stage, to be too vague to be effective, and so open to interpretation that it could be strongly influenced by the prevailing political mood in Washington. As the Carter Administration had exhibited volatility in its national export control policy, the Europeans preferred the more specific existing COCOM lists, rather than introduce uncertainties in the multilateral controls.

## From Afghanistan to Poland

These, then, were the foundations on which the West sought to construct its policies following the Soviet invasion of Afghanistan. In US eyes, most European governments offered only grudging support for the US trade sanctions imposed on the Soviet Union after Afghanistan. This tended to confirm the view of some US policy-makers that Europe was becoming constrained in its ability to resist Soviet aggression by its increased dependence on trade with Comecon.

Without going into detail,[6] the US felt the Europeans were not pulling their weight. Even when it came to their undertaking not to undermine US sanctions, the Europeans' performance was seen as less than supportive. In particular, there were two instances in which the US felt European companies had stepped in to fill orders dropped by US companies following the sanctions. One involved the French company Creusot-Loire, which is one of the main contractors on the gas pipe-line, at least partially fulfilling an order for a steel plant previously held by a US company. Creusot-Loire exports of special steel to the US was incidentally later banned on the grounds that it contained Cuban nickel and thus violated US sanctions on Cuba. The second was an aluminium plant delivered by Klockner of Germany who had previously formed part of a co-operative venture with Alcoa of the US. In both cases, the Europeans claimed that the orders were not the same as those blocked by the US foreign-policy controls. They did, however, follow another similar case in 1978 when the US revoked the export licence for a Sperry-Univac computer destined for a TASS agency. In this instance, the Soviet Union bought British and French equipment.

These are just examples of how difficult it can be to implement sanctions effectively, and how much scope there is for different interpretations of what is and what is not undercutting US sanctions. Problems also arose on the US partial grain embargo following Afghanistan. The main non-American suppliers of agricultural products to the Soviet Union, with the exception of Argentina, also agreed not to undercut US sanctions, but to keep exports at 'traditional levels'. The problem then was in determining traditional levels. Agricultural trade, like all East-West trade, can fluctuate quite dramatically from year to year.

## The Reagan approach

November 1980 saw the election of President Reagan who was not only committed to a strong US stance vis-à-vis the Soviet Union but also to ending the partial grain embargo. The initial priorities of the Reagan Administration were

[6] Congressional Research Service, Library of Congress, *An Assessment of the Afghanistan Sanctions: Implications for Trade and Diplomacy in the 1980s*. Report prepared for the Subcommittee on Europe and the Middle East of the Committee on Foreign Affairs, US House of Representatives, 75-985, 1981.

the domestic economy and defence, but, as with all new US administrations, a full review of East–West trade policy was initiated.

At first glance, the Reagan Administration might have followed a line similar to that of Nixon in 1969. Whilst Nixon also began with strong anti-Soviet rhetoric, he in fact presided over a fundamental normalization of trade relations with the Soviet Union. But conditions in 1980 differed from those of 1970. Not only had détente been tried and failed, but there was an absence of any strong pro-trade industrial lobby, which had played an important part in the 1969 Export Administration Act. As noted above, the view that Europe had become dependent on Comecon trade was prevalent. Appointments under the Reagan Administration also put well-known proponents of more restrictive trade policies in key positions.[7]

Inter- and intra-departmental discussion has always been a characteristic of US East–West trade policy. Despite the relative ideological coherence of the Reagan Administration, this continues to exist, even though possibly less pronounced than under Carter. The US Department of Defense has always assumed a hard line on trade with the Soviet Union. Under the Secretary for Defense, Caspar Weinberger, the present DoD has opposed the granting of various licences,[8] for example, the export licence for the pipe-laying equipment, which could have been used on the new pipe-line. This licence was finally granted on 2 December 1981 on condition that the equipment was not used for the new pipe-line. It was then revoked on 30 December as part of the US sanctions against the Soviet Union for its role in Poland. The DoD has pressed ahead with a new list of critical technologies,[9] and would like to see all trade and economic links with the Soviet Union as forming an integral part of US security considerations.[10]

The Department of Commerce has traditionally supported the pro-trade industrial lobby, in the sense that it has sought consistency in US policy which would facilitate a growth in non-strategic trade. The Reagan Administration brought into the mainstream of the Commerce Department those who had previously occupied the most restrictive end of the spectrum of views which exists in Commerce as in other departments. With a less vocal industrial lobby, the pro-traders therefore assumed a lower profile.

The State Department, which has responsibility for negotiations with the European and Japanese governments in COCOM, is most aware of European views, and the difficulties involved in persuading the Europeans to follow US initiatives on trade sanctions. Whilst Commerce retains overall responsibility for administering export controls, the State Department plays a central role on foreign policy controls which form the legal basis for short-term trade sanctions. On the longer-term national and multilateral (i.e. COCOM) security controls, Commerce and the DoD must concur on the lists governing which items are subject to close control. This gives the DoD an effective veto on the removal of any item from the US Commodity Control List (CCL). The interdepartmental consultative procedures have complicated US policy, and have also caused delays

[7] *International Herald Tribune*, 17 August 1981.
[8] *International Herald Tribune*, 20 July 1981.
[9] This list is not yet public; see Federal Register, 1 October 1980, for previous list.
[10] *International Herald Tribune*, 20 July 1981.

in dealing with European cases submitted to COCOM for clearance. The State Department is therefore largely responsible for formulating US policy when controls are used to send the right 'signals' to the Russians, and is also concerned with how best to exercise leverage or linkage. In this task, other departments are also involved, including the National Security Council and the White House. The role of the National Security Council is possibly somewhat less important now than under Carter. Reagan's election strengthened the position of those who opposed any increase in East–West trade but sought to tighten restrictions on Western exports of technological know-how. The experience after Afghanistan made it clear that sanctions could only be really effective when supported by the Europeans.[11] No US government has been prepared to forswear the use of foreign policy export controls because there are cases, such as Afghanistan or Poland, when there is little else that can be done. As no government with international security responsibilities could comfortably stand by and watch in such instances, sanctions are seen to be the only means of indicating condemnation or having any possible influence on events. There was thus a need to ensure European support for any possible future sanctions. With this in mind, the US reached agreement with the major European allies on a contingency plan for Poland.

The details of this plan remained confidential but it was clearly designed for the case of a direct Soviet intervention or invasion. On this contingency, the Europeans apparently agreed to take resolute action and thus significantly increase the leverage by virtue of their extensive trade links with the Soviet Union. The contingency plan was seen in Washington as a vindication of the view that more could be achieved than after Afghanistan, provided the US exercised strong leadership.

On completion of the initial policy review, the US introduced the issue of East–West trade at the Ottawa summit in July 1981. After some sharp exchanges, in particular on the proposed new gas pipe-line, it was agreed to hold wide-ranging, high-level talks on East–West trade policy. Throughout the autumn of 1981, the US sought, in vain, to persuade the Europeans, and in particular the Germans, not to go ahead with the new gas pipe-line. The US argued that the growth in imports of Soviet gas would increase dependence to such an extent that the Europeans, and especially the Germans, would expose themselves to Soviet leverage. For their part, the Germans argued that the deal would not, in fact, increase total energy dependence because of the expected decline in Soviet oil exports. This is probably right, so that whilst dependence on Soviet natural gas will increase for all participating countries—and to about 30 per cent for the FRG—by 1990, total German energy dependence on the Soviet Union will not increase significantly above its present level of about 6 per cent. Although US concern has focused on the gas deal, this only reflects a more fundamental concern that trade with the East will influence West European perceptions of the Soviet threat.

Finally, on 13 December 1981, martial law was declared in Poland, a few weeks after agreements were signed to initiate the pipe-line project on the eve of Leonid Brezhnev's visit to Bonn and a few days after Helmut Schmidt arrived in the GDR on only the second such visit by a West German Chancellor. An internal Polish

[11] Congressional Research Service, *op. cit.*

solution of this kind does not appear to have been included in the 1981 agreement between the US and the Europeans. The contingency plan was therefore of no immediate relevance. It could be argued, as indeed it was in Washington, that the existence of the contingency plan during 1981 helped to prevent a Soviet invasion, but it did not help to guide the initial Western response. The US was quick to stop financial assistance to Poland as a means of indicating its support for Solidarity, the independent trade-union organization, and opposition to the military government. Whilst the Europeans issued strong verbal condemnations, the US followed with sanctions against the Soviet Union as a reprisal for its connivance in the suppression of renewal in Poland.[12]

The US sanctions against the Soviet Union included revoking the US export licence for the Caterpillar company's pipe-laying equipment and a number of other licences for electronic equipment, computers and other high technology items. Export licences were also revoked for the sale of General Electric turbine technology to producers in Western Europe. All sanctions took the form of US foreign policy controls, but in the case of the turbines it involved a sanction only on those products re-exported to the Soviet Union. Three European companies, John Brown (UK), AEG (FRG) and Nuove Pignone (Italy) have long used GE technology under licence, and are supplying turbines to pump gas from the Soviet Union to the West through the new pipe-line.

The US sanctions also involved postponing negotiations on a new US–Soviet trade agreement. The previous agreement expired in September 1981 but was extended for one year. Negotiations on a new maritime agreement were also postponed and various other less significant measures taken, such as not extending US–Soviet exchange agreements in science and technology etc as they run out.

The exact details of the sanctions were not yet clear in early January, but in nature they appear to have a moderate immediate effect. Whilst a licence revoked is a licence revoked, the re-export controls on turbine technology will not bite, politically, for a while as the delivery dates are still some way off. Postponement of talks on grain trade is different to an embargo, and will have no effect until the middle of 1982. The objective, therefore, appears to have been to signal to the Soviet Union what form sanctions would take, i.e. grain and the gas pipe-line, if it became more directly involved in Poland. The initial European response was muted, but similar to Europe's position on the post-Afghanistan sanctions: the EC declared it would not undermine US sanctions.[13] In the subsequent Nato communiqué of 11 January, it was agreed that economic measures were important, but also that each of the allies would 'act in accordance with its own situation and laws'.[14]

### What next?

Clearly all depends on the outcome in Poland. Three possible developments could be envisaged. The first could be an explicit Soviet move into Poland, which would presumably leave the West Europeans with no option but to impose

[12] *Financial Times*, 30 December 1981. [13] *Times*, 5 January 1982.
[14] *ibid.*, 12 January 1982.

sanctions. The gas pipe-line and grain exports would probably be the first targets. Inevitably things would not be very tidy, but one could expect a major rift in East–West trade relations at least for a few years. There would also be a strengthening of common Alliance policies on East–West trade under a partially restored US leadership.

The second outcome could be that the Poles make rapid advances in stabilizing the economy and bringing back civilian government without reversing any fundamental reforms. Such an outcome would facilitate a return to the pre-December 1981 status quo on East–West trade policy, but there would probably be differences of opinion on the pace. For example, European governments might well wish to move fairly quickly to provide aid for the Polish economy. Such help would be needed to buy spare parts and raw materials necessary to get the economy going and thus to prevent debt default. The Europeans might see the provision of economic support as a means of influencing events and promoting a return to stability. On the other hand, the US may oppose providing aid too soon, especially if it believes the repression was Soviet-inspired.

With the present political and economic conditions in Poland, a third more likely outcome would appear to be a prolonged period of uncertainty. Such an outcome appears possible given the magnitude of the economic problems and the difficulties involved in the transition from martial law to civilian government and in relations with the Church and Solidarity. In prolonged periods of crisis, there would always be the threat of more direct Soviet or Warsaw Pact intervention or invasion. The problem would then arise as to what to do about the sanctions against the Soviet Union.

If the sanctions are not carried out, would this not be sending the wrong signal to the Soviet Union? On the other hand, following through the sanctions could be costly. For example, if a new grain agreement is not negotiated, the existing agreement will lapse in September 1982. This may not be a major problem because grain exports could continue without an agreement. On the other sanctions, however, does the Europeans' agreement not to undermine US sanctions mean that they will not replace US parts or technology in the turbines for which agreements have already been signed with the Soviet Union? If so, work on the gas pipe-line would be delayed indefinitely. In such a situation, the cost in terms of dissent within the Alliance would have to be balanced against its probably marginal impact on Soviet behaviour.

Apart from these more speculative short-to-medium-term problems, it is possible to identify some longer-term implications for East–West trade. The revoking of licences for US exports will further demoralize US industrial exporters, and weaken the pro-trade lobby in the US, thus contributing to a continued divergence in US and European trade patterns.

Whatever the outcome in Poland (barring genuine renewal), it will be interpreted by hard-liners in the United States as yet another example of the unchanging nature of Eastern regimes. Like Afghanistan, it will therefore add impetus to the pressure for tighter controls on East–West trade both within COCOM and nationally.

The initial response of the Europeans to Poland was not very different from their response to US sanctions after Afghanistan. This may strengthen the view in the US that, if the Europeans will not act decisively, even when it involves central Europe, then they must be constrained by excessive dependence on East-West trade. In this context, it is very important that a sober assessment of 'dependence' is made. Indeed, as indicated above, the degree of general West European dependence on East-West trade is declining, not increasing. Thus, it should be recognized that the Europeans' differing perceptions are due to their assessment of the political situation and not to their increased trade dependence.

# Protectionism and preferences in the European Community's Mediterranean policy

RICHARD POMFRET

THE post-war international trading regime has been based on the principles of non-discrimination and liberalization, embodied in the use of Most-Favoured Nation (MFN) tariffs as the main barrier to trade and the reduction of these tariffs by multilateral negotiations. In practice, both liberalization and non-discrimination have taken knocks. Trade in agricultural goods, textiles and clothing, chemicals, steel and automobiles has been subject to protectionist measures featuring non-tariff barriers to trade, and trade in these products still accounts for half of world trade. The MFN principle has been contravened not only by customs union formation (permissible under the General Agreement on Tariffs and Trade) but also by a proliferation of bilateral agreements in which a leading role has been taken by the European Community.[1] Although usually treated separately, the liberalization and non-discrimination issues are likely to be closely connected. After all, if there were no barriers to trade, then there would be no preferential treatment. High barriers make preferential access worth having for foreign suppliers, although it will be opposed by domestic producers as an infringement of their protected position. The present article seeks to investigate this relationship within the context of the European Community's Mediterranean policy.

## The EC and the Mediterranean countries

The interaction between liberalization and discrimination in the EC's external economic policy is most clearly illustrated by relations with the Mediterranean countries.[2] Even before the Community's formation, the countries of the Mediter-

[1] The proliferation of EC preferences is well documented in the literature. E.g., on the Lomé Convention, see C. Dodoo and R. Kuster, 'The Road to Lomé', in F. Alting von Geusau (ed.), *The Lomé Convention and a New International Economic Order* (Leyden: A. W. Sijthoff, 1977), on the Mediterranean, R. Pomfret and B. Toren, *Israel and the Common Market: An Appraisal of the 1975 Free Trade Agreement* (Tübingen: J. C. B. Mohr, 1980), pp. 5–17, and on the GSP, T. Murray, *Trade Preferences for Developing Countries* (London: Macmillan, 1977). Omitting the state-trading countries whose international trade involves particular pricing problems, the EC's MFN tariff now applies to only a handful of countries: the US, Canada, Japan, Taiwan, Australia, New Zealand and South Africa. The EC's motivation appears to be of largely political origin, but the instruments available in practice to the EC as a policy-making body are economic. Even these are restricted by the budget and by non-economic implications of economic measures; financial aid is an important component only of the Lomé Convention and the migrant labour issue, requested for inclusion in several Mediterranean agreements, is usually side-stepped, leaving the EC with trade preferences as its main tool for forging special relations with third countries.

[2] The term 'Mediterranean countries' in this paper excludes Yugoslavia (which did not sign

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ranean Basin had close trading links with Western Europe and they were naturally keen to maintain access to this market. In most cases, however, the strongest economic motive for seeking a special relationship was the common agricultural policy (CAP). The largest trade diversion effects from EC formation have been in the agricultural sector, and in a range of products (especially fruit and vegetables, olive oil, wine) the Mediterranean countries bore the main burden. For these countries the negative effect was compounded by their heavy dependence on agricultural exports. Thus, EC preferences were attractive to the Mediterranean countries if they covered agricultural goods, but much less valuable without such provisions. This formula led to intra-EC conflict as the burden of CAP exemptions would be borne by producers in southern France and Italy, but on items where the EC was less than self-sufficient the shortfall could be allocated to external Mediterranean suppliers at the expense of third countries without damaging internal suppliers' positions. To some extent this involved preferential tariff cuts, but levy-free quotas and access seasons were more important, reflecting the minor role of tariffs in the CAP.

Agriculture provides an example of protectionism making preferences worth seeking. Even with preferences, Mediterranean agricultural exports have declined in importance, but the preferences have worked towards offsetting the negative CAP effects by giving Mediterranean suppliers a larger share of the diminished EC import market. Whether preferences will continue to have this effect is, however, doubtful. As the EC moves towards greater self-sufficiency, encouraged by high relative prices for food, the import market for Mediterranean products will continue to shrink. Most drastically of all, when Spain and Portugal join the EC, self-supply will pass 100 per cent in olive oil, wine and tomatoes, and be increased from around 50 per cent to 90 per cent in citrus fruit—all key Mediterranean products. In this context, the agricultural provisions of the preferential agreements will wither away for all but a few non-competing goods where preferences are unnecessary anyway (e.g. hazelnuts).

Although the Mediterranean countries' main interest was agricultural concessions, manufactured goods were included in all the preferential trade agreements and by 1977 Mediterranean manufactured exports enjoyed duty free access to EC markets. The preferences' impact is difficult to isolate at an aggregative level, and I know of no thorough *ex post* economic study. Using a standard partial equilibrium model, broad product categories and elasticity guesstimates, I calculated that free access to EC markets would raise Israeli manufactured exports to the EC by 14 per cent;[3] this exercise used the pre-Tokyo Round common external

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a preferential agreement until 1980), Libya and Albania (which have no EC agreements), and Syria and Lebanon (whose EC trade is relatively unimportant), but includes Portugal. Needless to say, this section of the paper does not purport to cover EC–Mediterranean relations beyond a single aspect; for broader treatment, see A. Shlaim and G. Yannopoulos (eds.), *The EEC and the Mediterranean Countries* (Cambridge: Cambridge University Press, 1976), A. Tovias, *Tariff Preferences in Mediterranean Diplomacy* (New York: St Martin's Press, 1977), and L. Tsoukalis, *The European Community and its Mediterranean Enlargement* (London: George Allen and Unwin, 1981).

[3] See R. Pomfret, 'The economic consequences for Israel of free trade in manufactured goods with the EEC', *Weltwirtschaftliches Archiv 114*, 1978.

tariff (CET) and Israel may have a higher than Mediterranean-average export supply elasticity, but it illustrates that EC effective rates of protection are sufficiently high to make preferences worth having. M. McQueen provides evidence[4] in terms of level and direction of trade suggesting a positive effect on Greek, Spanish, Moroccan, Tunisian and Israeli, but probably not Turkish, exports; this supports the idea of preferences contributing to but not being a sufficient condition for manufactured export expansion (Turkey retained an inward-oriented development strategy), although McQueen's results suffer from a short-time horizon. Other authors have argued the ineffectiveness of EC preferences, but the only support offered for this has been isolated export growth or market share data which are dubious because of annual fluctuations.

Evidence on the impact of EC preferences on manufactured goods is clearer at a disaggregated level. The impact will be greatest where the Mediterranean countries possess a comparative advantage in a product subject to high EC effective rates of protection. The manufacturing branch best fitting this specification is textiles and clothing. In several Mediterranean countries, such exports accelerated after the preferential reduction or removal of EC tariffs.[5] Greek textile and clothing exports, exempt from the CET after 1970, rose from \$25·7 million, of which \$14·9 m. (58 per cent) went to the EC, in 1969 to \$538·3 m. in 1978 with \$455·9 m. (85 per cent) going to the EC. After the 1970 agreement granted Malta a 70 per cent CET reduction, its clothing exports increased from \$9·1 m. in 1970 to \$95·5 m. in 1976. An even greater export explosion occurred in Tunisia after the 1969 association agreement; clothing exports to the EC grew from \$101,000 in 1970 to \$137 m. in 1977. In all three cases, the timing and magnitude of the export boom suggests a causal relationship between preferences and clothing exports.

## The new protectionism in textiles and clothing

The European Community made a major shift towards protecting its textile and clothing industries during the late 1970s. Although a signatory of the 1973 Multifibre Arrangement (MFA), the EC only started to sign bilateral MFA agreements in 1975. The severe depression worsened the position of EC producers and protectionist pressures led to emergency measures being taken against all major suppliers after November 1976. In the shadow of these unilateral actions, negotiations for MFA renewal in 1977 involved a significant restriction of access to EC markets with virtually no growth permitted for imports of the most sensitive products, which accounted for over three-fifths of EC imports.[6]

The EC's goal was to include *all* low-cost suppliers in the quantitative restrictions, but this ran into conflict with its preferential trade agreements. Although the Mediterranean agreements, except that with Greece, permitted safeguard actions

[4] M. McQueen, 'Some Measures of the Economic Effects of Common Market Trade Preferences for the Mediterranean Countries', in A. Shlaim and G. Yannopoulos (eds.), *op. cit.*

[5] The figures are taken from the Commercial Bank of Greece *Economic Bulletin 103*, January 1980, p. 15; J. Grech, *Threads of Dependence* (Malta: University Press, 1978), p. 84; UN *Commodity Trade Statistics* for Tunisia.

[6] D. B. Keesing and M. Wolf, *Textile Quotas against Developing Countries*, Thames Essay No. 23 (London: Trade Policy Research Centre, 1980), ch. 3.

on sensitive products, invoking this on a permanent basis would clearly contravene the spirit of the Mediterranean policy. Instead, the EC tried to reach voluntary agreements with the major Mediterranean suppliers; the usual pattern was EC notification of maximum permissible exports of sensitive products, with the threat of unilateral safeguard actions if the targets were ignored. In practice, however, the EC appeared reluctant to take punitive steps against Mediterranean textile and clothing exports during the operation of the second Multifibre Arrangement (1977–81). When Portugal demanded an increase in the quota originally set by the EC, the demand was agreed to. When Greece heavily exceeded its informal 1978 quota, no action was taken. For Morocco, Tunisia, Malta and perhaps others, the quotas were set sufficiently high to be safety margins rather than effective restrictions and special (looser) provisions were set for subcontracted work. All in all, the Mediterranean countries have escaped the full force of MFA restrictions. As a result, they were able to increase their exports to the EC by both volume and value, and gain a greater market share at the expense particularly of the pre-1977 big low-wage exporters. Greece, Turkey and Portugal had by 1979 all overtaken South Korea and Taiwan, and their exports of textiles and clothing to the EC were exceeded only by the United States and Hong Kong (Table 1).

TABLE 1. EC Imports of MFA Products by Country, 1977 and 1979 (thousand tonnes)

| *Mediterranean Countries* | | | *Low-wage Countries* | | | *Industrialized Countries* | | |
|---|---|---|---|---|---|---|---|---|
| | *1977* | *1979* | | *1977* | *1979* | | *1977* | *1979* |
| Greece | 79·0 (4) | 100·8 (3) | Hong Kong | 144·8 (1) | 134·9 (2) | U.S.A. | 127·3 (2) | 211·5 (1) |
| Turkey | 60·8 (7) | 91·6 (4) | S. Korea | 81·7 (3) | 80·0 (6) | Austria | 61·8 (6) | 78·5 (7) |
| Portugal | 47·7 (12) | 81·0 (5) | India | 70·9 (5) | 74·5 (8) | Switzerland | 56·6 (8) | 71·1 (9) |
| Spain | 49·1 (11) | 58·0 (11) | Taiwan | 56·1 (9) | 60·8 (10) | Japan | 30·9 (13) | 29·8 (17) |
| Tunisia | 16·3 (21) | 22·3 (20) | | | | | | |
| Morocco | 14·9 (23) | 20·9 (21) | | | | | | |
| Malta | 8·1 (31) | 11·4 (29) | | | | | | |
| Cyprus | 0·7 | 2·2 | | | | | | |

*Source:* European Communities Commission Background Report BR ISEC/B43/80.
*Note:* Figures in parenthesis are rankings.

By 1981, the EC's position seemed to be hardening with respect to the MFA in general and the preferential trading partners problem in particular. In March 1981, the Commission forwarded to the Council a suggested textiles policy based on preferential ceilings supported by administrative co-operation and triggering consultations with preference recipients at specified import levels:

> The objective of such consultations would be to reach an amicable solution which safeguarded the preferential internal global ceiling at Community and regional level. If, however, they were to fail, then the Community would have to use the safeguard clause of last resort in order to achieve this objective.[7]

The sting of that statement is in its tail. Through 1981, however, the EC had great difficulty in reaching a common textiles policy (with France, Italy and the United Kingdom leading demands for more protection and West Germany, the Netherlands and Denmark favouring a more liberal position). The EC entered the MFA renewal negotiations on 18 November with a broadly outlined position, which

[7] Commission of the European Communities Spokesman's Group and Directorate-General for Information, 'The European Community's Textiles Trade', *Europe Information: External Relations 44/81*, April 1981, p. 9.

was more protectionist than in 1981, but still blurred on specifics including the Mediterranean suppliers' treatment.[8]

The threat of a tougher EC policy stance is not equally convincing to all preferential trading partners. In the case of future EC members, it is no more than a delaying tactic because quantitative measures cannot seriously be undertaken against fellow-members' exports without destroying the economic basis of the EC. In this context, it can be noted that the biggest gainer of all from EC protectionism in textiles and clothings is Italy—the low-cost internal supplier. Greece can expect to inherit this position. C. Farrands maintains[9] that Greece's rapid textiles and clothing export growth during the late 1970s, blatantly contravening any EC-inspired quota, was a consequence of a deliberate increase in capacity in anticipation of its January 1981 accession to the Community. This growth was no more than a continuation of the total 1970s pattern and seems to be a simple story of realizing a comparative advantage, which was not interrupted by tariff or quota barriers and was helped by the handicap placed on competitors by the MFA; membership guarantees continuation of these conditions.

Spain and Portugal, assuming their accession negotiations reach a successful conclusion, are in a similar position to Greece and can expect no more than temporary disruption of sensitive exports to the EC. Smaller suppliers like Tunisia, Morocco, Malta and Cyprus can hope to continue their expansion of jeans, shirts and overalls production for EC markets without hitting onerous quota constraints. As long as they enjoy such immunity, they will continue to be attractive locations for direct investment by entrepreneurs from Europe, America and Asia as MFA-jumping, low-wage bases for serving EC markets. Larger countries can scarcely even hope; Turkey and Egypt may think of pursuing a more export-oriented development strategy including textiles and clothing (they even have the raw material), but in view of the current EC policy stance this door will be shut as soon as they try to pass through it.

## Conclusions

Relations between the EC and the Mediterranean countries have been strongly influenced by the Community's protectionism. All the Mediterranean countries except Malta earned substantial foreign exchange from their agricultural exports to the EC until the early 1960s and the protective barriers raised by the CAP provided an incentive for seeking preferential access to EC markets. With the second enlargement, Greece, Portugal and Spain will overcome this barrier, but the position of the outsider Mediterranean countries will deteriorate as the EC approaches or exceeds self-sufficiency in most Mediterranean goods. During the 1970s, a major economic benefit from preferences has come via the rapid expansion of Mediterranean textile and clothing exports to the EC, not only as a result of tariff preferences but also from avoidance of MFA quotas in EC markets. Greece, Portugal and Spain will continue to benefit from a competitive edge over MFA

[8] See, for example, the report in the *Financial Times*, 2 December 1981, p. 5.

[9] C. Farrands, 'Textile diplomacy: the making and implementation of European textile policy 1974–1978', *Journal of Common Market Studies*, Vol. XVIII, No. 1, September 1979.

suppliers, but it seems likely that other Mediterranean countries will be brought within the MFA ambit in 1982 and hence lose their privileged position in EC textile and clothing markets.

The new protectionism in steel and automobiles has received little attention in this article because it has scarcely affected Mediterranean countries yet. Spain is the only serious Mediterranean candidate for immediate action on these products;[10] as its automobile output passes that of Italy and the United Kingdom during the early 1980s, it could expect the imposition of export restraints, but as EC membership looms, the threat diminishes. If in the future, say, Algeria or Egypt were to aim substantial steel exports at EC markets, they could expect no such leniency.

Rising protectionism is in conflict with the EC's Mediterranean policy, and as a side effect it is producing consequences unwished for by the EC. The CAP provided the stimulus for the Mediterranean countries to sign preferential trade agreements which the EC sought for political reasons, and the EC had room to manœuvre in offering worthwhile preferences on both agricultural and manufactured goods. Growing EC self-sufficiency in Mediterranean food products and the new protectionism in manufactures threaten to erode the value of existing preferences, and the EC has little to offer in compensation in order to maintain special relationships. The choice facing Mediterranean countries becomes increasingly dichotomized between seeking their only sure safeguard (i.e. EC membership) or watching the value of their preferences dwindle.

Rising EC protectionism increases the economic benefits from membership to eligible Mediterranean countries. Greece gains from both the CAP and the MFA, so will Spain; Portugal will gain from the MFA at least, and automobile protection would be a bonus for both Spain and Portugal. Malta, the most export-oriented economy in the region, has half its exports concentrated in sensitive clothing lines destined for the EC; Maltese inclusion under MFA restrictions would make EC preferences much less valuable and EC membership highly attractive. Cyprus, whose clothing exports increased sixfold between 1973 and 1978 to account for a fifth of its industrial exports, is in a similar, if less extreme, position, particularly if the EC remains miserly on potato and wine concessions. Finally, Turkey is already a major EC supplier of MFA products and could perhaps be a steel exporter. For all of the non-Communist southern European countries, the new protectionism increases the economic attractiveness of EC membership and raises the costs of remaining outside. If applications are made, the EC has no good grounds for refusal beyond the delaying tactics of requiring the return of democracy in Turkey, however distasteful further southern enlargement might be. In contrast, the non-European Mediterranean countries have no card to play; loss of EC markets will have to be accepted. In sum, EC protectionism in agriculture, textiles and clothing, steel and automobiles is potentially in conflict with the EC's Mediterranean policy, and pursuing protectionist policies could result in a general incorporation of non-Communist southern Europe into an EC without special ties to an alienated southern Mediterranean.

[10] Spain has, in fact, been subject to EC anti-dumping duties on steel in 1972 and again after 1977, but today automobiles are more important to its export health.

# Thailand, the Soviet Union and the Kampuchean imbroglio

LESZEK BUSZYNSKI

Soviet interest in Thailand developed in earnest after the fall of Saigon in April 1975 as it was perceived that the American position in South-East Asia had suffered a traumatic set-back. The Soviet leaders would have liked to move in where the Americans had left, but regional suspicions of their motives kept them at a distance until they could take advantage of the Sino-Vietnamese conflict to establish a foothold in Indochina. Initially, at least, the Soviet Union's aim is to influence regional affairs, the ultimate objective is to obtain acceptance and endorsement of its collective security proposal. This proposal, unveiled by Brezhnev in Moscow in June 1969, has always underlain Soviet policy towards the region though it has been outlined only in a vague way to promote its acceptability to all concerned.[1] Implementation of the proposal would, of course, entail a legitimate Soviet presence in South-East Asia that would not be confined to a limited geographical area in Indochina. The Soviet calculation seems to be that, as Thailand faces a hostile Vietnam, the country's leaders could be induced to accept Soviet protection in a bilateral relationship that would serve as a model for the regional collective security scheme. Soviet efforts have focused upon Thailand on the assumption that fear of conflict with Vietnam, apprehension as to China's regional intentions and the reluctance of the Americans to become involved in regional affairs would prompt Thai leaders to compromise and accept Vietnamese domination of Kampuchea in return for guarantees of their country's territorial integrity. Thailand is a strategic state in the region for both super-powers, but for the Soviet Union concentration on Thailand may hold out the promise of splitting the Association of South-East Asian Nations (ASEAN), which has expressed alarm over Soviet penetration of the region, and circumventing Chinese influence in South-East Asia.

## The fear of Vietnam

Thai interest in the Soviet Union originated from the experience of disillusion with the United States, from which Thailand had sought great-power support against its traditional enemy, Vietnam. The Thais had assisted the American war effort in Vietnam to the best of their ability, fearing the emergence of a reunited and Communist Vietnam. The announcement of the American withdrawal from Indochina under the Nixon Administration caused them considerable anxiety. The response was largely formulated by the then Foreign Minister, Thanat Khoman, who proposed that Thailand pursue balanced relations with all the

[1] On Soviet policy towards the region, see the author's 'The Soviet Union in Southeast Asia since the fall of Saigon', *Asian Survey*, May 1981, vol. 21, no. 5.

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great powers. The ultimate aim was to elicit protection from various sources against Vietnam without becoming identified with any one power. Upon this basis, Thanat Khoman expressed some interest in the Soviet collective security proposal when it was first announced.

After the collapse of the American position in Indochina with the fall of Saigon, the Thais were suddenly faced with triumphant Vietnamese Communists who would remind them of Thai complicity with the Americans in providing bases for bombing raids against North Vietnam. The Vietnamese Communists, however, had their own difficulties with China and there was no immediate reason to confront the Thais over past grievances. Nevertheless, in an effort to avoid antagonizing the Vietnamese, the Thai Premier, Kukrit Pramoj, had, on 19 March 1975, announced that American troops would be withdrawn and bases dismantled within a year. For the same reason, the Thai Premier agreed to phase out the South-East Asian Treaty Organization (SEATO) when he met President Marcos in Manila in July. Interest in the Soviet Union after the fall of Saigon, in the context of scaling down military ties with the United States, became a means of avoiding confrontation with the Vietnamese Communists. It was also hoped that Soviet leaders would restrain the Vietnamese for the sake of a relationship with Thailand. Accordingly, the Thais on 3 September 1975 invited the Soviet Foreign Minister, Andrei Gromyko, to visit Bangkok to sign a cultural pact. As his Thai counterpart, Chatichai Chunawan, said, 'We don't want Soviet leaders to feel that we are closer to China and the US than the Soviet Union'.[2] The visit never took place, however; not only were the Soviet leaders wary of promoting a relationship with Thailand at the expense of Vietnam but there was also some opposition within the Thai military who thought that the civilian government had moved too quickly in seeking American withdrawal.

### Approaches to Moscow and Peking

It was not until 1978–9 that the situation altered to the extent that the Thais sought to expand contacts with the Soviet Union. The Soviet-Vietnamese alliance, signed on 3 November 1978, permitted the Vietnamese to occupy Kampuchea on Christmas Day and brought home to the Thais the grim realities of super-power intervention. Then, the value of the relationship with the Soviet Union as a means of moderating Vietnamese behaviour was readily perceived. The Thais hoped to persuade the Soviet leaders that any benefits derived from supporting and arming Vietnam would be far outweighed by the hostility of the ASEAN states. Indeed, the Thai aim seems to have been to convince the Russians that Vietnamese local interests would conflict with wider Soviet regional interests and would actually impede the fulfilment of the collective security proposal. Upon this basis, Premier Kriangsak Chamanan undertook to visit Moscow from 21 to 27 March 1979 with the intention of obtaining Soviet assurances regarding Vietnamese actions. Returning to Bangkok, the Premier stated at a press conference; 'The Kremlin leaders have assured us that as they are closely associated with Vietnam, Thailand need not fear an attack by Hanoi.'[3] The visit was significant in that it was the first time

[2] *Sunday Times* (Singapore), 7 September 1975.  [3] *Bangkok Post*, 28 March 1979.

a head of government of an ASEAN country had sought Soviet protection in such a specific way that prefigured implementation of the collective security proposal. Soviet leaders had no reason to suppose that their guest was a supplicant who had come from a position of weakness. Kriangsak had prepared the ground for the trip by his ealier visit to Washington in February when President Carter reaffirmed Thailand's value to the United States. Moreover, his deputy, Sunthorn Hongladarom, had visited Beijing the previous month, and agreed with his Chinese hosts that the Vietnamese invasion 'would not have happened without the backing of a big country'.

The Thais had hoped to co-ordinate great-power support for their position over Kampuchea in an effort to induce Soviet leaders to control their ally. The strategy assumed the existence of a patron–client relationship between the Soviet Union and Vietnam and the Soviet Union's ability to speak for its ally at all times. The Vietnamese incursions at Non Mark Moon in Thailand from 22 to 24 June 1980, during which Thai and Vietnamese battalions clashed, and the engagement fought on Thai soil at Ban Sa-Ngae on 3 January 1981, indicated to the Thais that the Soviet leaders were probably incapable of always restraining the Vietnamese, as the latter had an incentive to demonstrate their independence in a bid for greater freedom of manœuvre against the Russians. Vietnam was clearly an ally that could not easily be controlled. In any case, the immediate result of the Non Mark Moon incursion was the Carter Administration's decision to expedite deliveries of arms to Thailand announced by the President on 1 July. The more significant result was that Thailand drew closer to China. The Thai Premier, Prem Tinsulanonda, visited China from 27 to 31 October, showing the degree to which Thailand and China were willing to co-ordinate policies with respect to Kampuchea. The Premier sought China's agreement to the holding of an international conference on Kampuchea and wanted the Chinese to approve the transfer of the leadership of the Kampuchean resistance to someone more internationally acceptable than the Khmer Rouge. The Chinese gave their assent to both demands and by the time China's Premier, Zhao Ziyang, made his return visit to Bangkok, from 30 January to 2 February 1981, they had dropped their demand that a Vietnamese withdrawal should precede the holding of the international conference.

**Soviet tactics and Thai responses**

Soviet leaders viewed these developments with some concern and gave full support to the proposals of the 2nd Indochinese Foreign Ministers' Conference held in Vientiane from 17 to 18 July 1980. The conference was convened in an attempt to demonstrate willingness to negotiate to counter the image of truculence that international opinion had ascribed to Vietnam. The series of conferences of Indochinese Foreign Ministers, beginning with the first in Phnom Penh in January 1980, was probably arranged by the Soviet Union. Soviet leaders had been urging regional negotiations between ASEAN and the Indochinese countries and despatched their Deputy Foreign Minister, Nikolai Firyubin, on a tour of ASEAN capitals in March–April 1980 to stress the point. In Thailand on 21 March, Firyubin told the Thais to seek bilateral negotiations with Vietnam 'in order to

thrash out misunderstandings arising from the conflict in neighbouring Cambodia'.[4] The Vientiane Conference called for, among other things: the signing of non-agression pacts between the Indochinese states and Thailand and the ASEAN countries, the creation of a demilitarized zone along the Kampuchean-Thai border and concrete means to ensure that Khmer Rouge forces could not be supplied or armed from Thailand including relocation of Khmer refugee camps.[5] When Gromyko welcomed the Vietnamese Foreign Minister, Nguyen Co Thach, in Moscow on 8 September, he referred to these proposals as a 'good basis for normalizing relations between the Indochinese countries and members of ASEAN'. The Soviet Foreign Minister added that it was 'absolutely obvious' that the ASEAN countries should be interested in them.[6] For Thailand, this was not so obvious, as acceptance of these proposals would have meant legitimization of the Heng Samrin regime in Kampuchea and total admission that Thailand had been allowing arms and supplies to reach the Khmer Rouge. Needless to say, the proposals were rejected out of hand.

For Soviet commentators, rejection of these proposals which, in their view, fully took into account Thailand's 'national interests', proved that the United States and China had 'nearly unlimited' influence upon that country.[7] When Prem was concluding his visit to China, four Soviet warships sailed past Sattahip naval base in southern Thailand while remaining in international waters. The force comprised the helicopter carrier *Minsk*, two escorts and an oceanographic survey ship. The Thais regarded the action as an attempt at intimidation and demanded an explanation from the Russians. The Soviet Ambassador, Kuznetsov, was summoned to the Foreign Ministry but failed to mollify the Thais by explaining that no threat was intended. The head of Thailand's National Security Council, Squadron Leader Prasong Soonsiri, was prompted to remark that the Soviet Union posed a 'direct threat to Thailand and the region'.[8] Whether or not the naval show of force was meant to coincide with Prem's visit to China, Soviet concern was stimulated. According to the Soviet view, the course of the negotiations during the visit showed that China was attempting to use Thailand as a base for supporting the Khmer Rouge and to ensure that relations between the Indochinese states and the ASEAN countries would deteriorate.[9] It is significant that neither Thailand nor ASEAN are condemned outright by Soviet commentators. ASEAN countries are said to act against their 'interests' as a consequence of American and Chinese pressure. Thailand and other ASEAN states are regarded as small powers susceptible to great-power influence, hence the rationale for courting them. If Chinese influence could be replaced by Soviet, the ASEAN states would be more amenable to accepting the Vietnamese occupation of Kampuchea.

After Prem's visit to China, however, Thai leaders thought it prudent to despatch a representative to Moscow to illustrate that all contacts with the Soviet

[4] *BBC Summary of World Broadcasts* (henceforth *BBC SWB*), 25 March 1980.
[5] *Bangkok Post*, 20 July 1980.
[6] 'V atmosfere druzhbui i edinstva', *Pravda*, 9 September 1980.
[7] 'Kto nagnetaet napryazhennost', *ibid.*, 4 September 1980.
[8] *Bangkok Post*, 8 November 1980.
[9] Valerian Skvortsov, 'Pekin podstrekaet', *Pravda*, 2 November 1980.

Union were not simply being sacrificed to the developing relationship with China. Thailand wanted to give the Russians no cause to aggravate matters with the Vietnamese on its behalf. The Thais also did not want to give Soviet leaders the satisfaction of knowing that the earlier naval display of force had worked, even in a limited way, by their willingness to send a delegation to the Soviet Union. For that reason a Deputy Foreign Minister, Arun Banupong, was sent on 11 November for a two-week visit. The Thai delegation was to discuss implementation of the Thai-Soviet communiqué of 27 March 1979 signed during Kriangsak's earlier visit, an indication that the Thais were seeking to prevent relations from deteriorating further. The Thais initially interpreted the visit as a success; before his departure, Arun was summoned by Gromyko who advised him that the Soviet Union had no intention of threatening ASEAN.[10] Some Thais thought that the Soviet leaders were impressed by Thai willingness to compromise over the issue of Khmer Rouge leadership of Democratic Kampuchea. It was maintained that Thailand had persuaded the Russians that it had not completely sided with China and that the Thai-Soviet dialogue might lessen the Soviet commitment to Vietnam.[11] Despite everything, the Thais experienced some disenchantment with the visit since, as Foreign Minister Siddhi Savetsila observed, 'Soviet arms continue to flow into Vietnam'.[12]

Some attempt was made by both sides to improve relations after this visit, though with conflicting aims. Each side valued the appearance of diplomatic activity even if it was perceived that there was little chance of an immediate concession from the other. For the Thais, continuing relations with the Russians would remind the Vietnamese that the Soviet Union had more extensive interests than Indochina. For the Soviet leaders, Thailand was an opening into ASEAN with which relations had degenerated after the Vietnamese invasion of Kampuchea. In November, the Thai government permitted the sale of 11,500 tons of sugar to the Soviet Union, probably destined for Vietnam, while there was a sugar shortage in Bangkok. Sugar prices rose and protest rallies were held.[13] An eight-man Soviet parliamentary delegation led by a Deputy Chairman of the Presidium of the Supreme Soviet, S. N. Imashev, toured Thailand from 21 to 28 January 1981. This was the first visit of its kind by a government delegation from the Soviet Union; it was encouraged by Thais such as the Deputy Prime Minister, Thanat Khoman, who believed that the Soviet Union could play a constructive role in the region by influencing Vietnam. Soviet commentators evidently considered the visit something of a watershed and thought that Soviet-Thai relations had been somewhat regenerated as a consequence. The purpose of the visit was described as an effort to normalize relations between ASEAN and the Indochinese states on the basis of the initiatives of the Vientiane Indochinese Foreign Ministers' Conference.[14] Be that as it may, no watershed was crossed. Imashev's rude behaviour in Thanat Khoman's office was not the way to improve relations in the Thai view. In any case, the visit served the Thai purpose in showing that contacts with the Soviet Union were being maintained. Thailand was to benefit from a newly inaugurated

[10] *Bangkok Post*, 6 December 1980.
[11] Theh Chongkhadikij, *ibid.*, 14 December 1980.
[12] *BBC SWB*, 22 December 1980.
[13] *Bangkok Post*, 25 November 1980.
[14] 'Razvivaya otnosheniya', *Pravda*, 30 January 1981.

Reagan Administration, which wanted to define clearly American interests in the region, and from Chinese Premier Zhao Ziyang's statement, made during his visit to Bangkok, reiterating China's support for Thailand in the event of hostilities with Vietnam. Contacts with the Soviet Union would retain the semblance of a balance of interests and would contribute, it was hoped, to the reduction of Vietnamese intransigence over Kampuchea.

### Inconclusive attempts at regional reconciliation

The Soviet Union launched another effort to bring about regional reconciliation and firmly endorsed the proposals of the 3rd Indochinese Foreign Ministers' Conference which was held in Ho Chi Minh City from 27 to 29 January 1981. This conference reiterated the proposals of earlier conferences of Indochinese Foreign Ministers and called for a regional forum between ASEAN and the Indochinese states. The Soviet Union circulated a note to the ASEAN governments supporting the notion of a regional forum as an answer to the Thai proposal for an international conference.[15] The Soviet initiative was quickly rejected by ASEAN governments. The Thai Foreign Minister, Siddhi Savetsila, averred that it did not meet the 'root of the problem which is the complete withdrawal of foreign troops from Kampuchean land'.[16] Nikolai Firyubin visited Bangkok from 16 to 20 April and urged Thai leaders to reconsider their attitudes towards negotiations with the Vietnamese, an indication in itself of the attention Soviet leaders were giving Thailand since Firyubin did not visit other ASEAN capitals as previously. Firyubin wanted to manœuvre the Thais into a position where acceptance of the *fait accompli* in Kampuchea would appear less repellent. Prem told his guest that Thailand wanted the Soviet Union to act more positively in the region, which meant influencing Vietnam.[17]

However much the representatives talked at cross purposes, the major result of the visit was the holding of the Rangoon talks from 3 to 4 June between Arun Banupong and his Vietnamese counterpart, Deputy Foreign Minister Vo Dong Giang.[18] The Thais had earlier attempted bilateral negotiations with the Vietnamese but were disappointed by their unflagging rigidity over Kampuchea. Burma's Foreign Minister, U Lay Maung, attempted to mediate between the two sides and offered Rangoon as a venue for a meeting. Then, on 20 January, the Thai Foreign Minister expressed his country's view that 'We have nothing to say to Hanoi.'[19] On the eve of the talks on 29 May, a Vietnamese broadcast indicated that Vietnam offered to trade a partial withdrawal of troops from Kampuchea in return for measures to ensure that the Khmer Rouge would not be supplied with food and arms from Thai territory and removal of Khmer refugee camps from the border areas. As a basis for negotiations, this offer was a repetition of earlier proposals and the Thai answer was a reiteration of earlier rejections. That the talks were held at all when the results were predictable to almost everyone[20] was something of a

[15] 'Vo imya mira i stabilnosti v yugo-vostochnoi azii', *ibid.*, 22 February 1981.
[16] *Bangkok Post*, 7 March 1981. [17] *ibid.*, 18, 19 April 1981.
[18] See Arun's statement on Firyubin's influence in arranging the meeting, *ibid.*, 2 June 1981.
[19] *ibid.*, 21 January 1981.
[20] On the results of the Rangoon talks, see Arun Banupong's interview on 4 June, *BBC SWB*,

minor success for Firyubin's diplomacy. The Thais agreed to go through the process as a gesture to both the Russians and the Vietnamese to refute accusations that they had fallen under the influence of the Chinese.

Thailand's later moves, however, showed otherwise. Members of ASEAN had been attempting to formulate a compromise solution to the Kampuchean dispute which would allow Vietnam to free itself from the Soviet embrace and which would permit a reduction of Sino-Vietnamese tensions. This was the rationale behind the earlier 'Kuantan' principle which received broad ASEAN acceptance. At Manila from 17 to 18 June, the ASEAN Foreign Ministers agreed upon a proposal which was to assure the Vietnamese of their security upon withdrawal of their forces from Kampuchea. The basic features of the Manila proposal were the despatch of a UN peacekeeping force to Kampuchea and the disarming of all Khmer factions after Vietnamese withdrawal to prevent the pro-Chinese Khmer Rouge coming to power. Thailand's Foreign Minister, Siddhi Savetsila, gave his country's approval. ASEAN's Foreign Ministers took their common negotiating position into the international conference on Kampuchea in New York (13–17 July) to find that the Thais now backtracked. Thailand then endorsed China's opposition to the idea of disarming all Kampuchean factions which the Chinese saw as a means of depriving them of an ally in their conflict with Vietnam. The compromise which resulted owed much to Thailand's desire to cultivate Chinese support in the Kampuchean dispute, even to the extent of discarding an independent ASEAN solution to the conflict.[21] Later, when asked to explain, Thanat Khoman denied that Thailand had veered too close to China and maintained that 'The Soviet Union is the key to the solution of the Kampuchean problem.'[22] For the former Foreign Minister, Thailand's interest in the Soviet Union is really a function of anxiety resulting from proximity to China with which Thai leaders have sought to co-operate over a specific issue.

As the Russians see it, Thailand's military vulnerability and fears of Vietnamese attacks are inducements for it to accept some form of Soviet protection. A relationship with Thailand is a way into ASEAN and a means of exploiting the perceptible strains in that regional organization resulting from varying perceptions of China's role. For Thailand, a relationship with the Soviet Union is part of an effort at reducing the Vietnamese threat in the context of the developing alignment with China. The aim is to dissipate Vietnamese resentment and to disprove Soviet suspicions regarding the nature of this alignment by communicating expediency rather than long-term common purpose. The relationship with the Soviet Union also acts as insurance against the kind of traumatic shock Thailand experienced with the fall of Saigon. Should promises of protection prove empty, for whatever reason, the Soviet option would become an attractive one.

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6 June 1981. The two sides reiterated their positions over Kampuchea, as Arun said of the Vietnamese, 'They did not come up with any new proposal.'

[21] The final draft of the communiqué made no mention of disarming factions or of establishing an interim administration in Kampuchea after Vietnamese withdrawal—both major features of the ASEAN position. The communiqué referred to 'appropriate arrangements' to ensure that the factions would not disrupt the holding of free elections. *Straits Times*, 18 July 1981.

[22] *BBC SWB*, 16 November 1981.

# Bangladesh at ten: an appraisal of a decade of political development

CRAIG BAXTER

THE description of Bangladesh in its earliest days as an 'international basketcase' vividly expressed the prevailing doubts about its viability. Perhaps now it can be compared to a man in deep water, just barely able to keep his head up and fearing the arrival of a wave which could overwhelm him. He needs a life preserver—assistance from external sources—and, with this, if the currents carry him towards the shore, he may eventually stand on solid ground. Ill currents, unwanted waves in the shape of natural disasters or man-made political or economic calamities or both will lead to catastrophe. Bangladesh appears to have survived the man-made calamity of May 1981 by last November's peaceful election of Abdus Sattar as the successor to the murdered President Ziaur Rahman.

Bangladesh is now ten years old. Its birth was difficult, coming after a civil war, itself following the most devastating natural disaster of the century.[1] The liabilities lending validity to the early scepticism about its potential for survival are well known, but as Bangladesh began its existence as a nation-state, there were also assets. Not the least of these were an intense sense of national community and the use of a single national language, unique among the countries of South Asia which emerged from British colonialism.

The sense of nationalism in so far as it was personified by Sheikh Mujibur Rahman and institutionalized in the Awami League was soon dissipated. Mismanagement of the political, economic and social systems of the country and the loss of legitimacy this created led to the sequences of the far too familiar pattern of repression and the stifling of criticism and initiative, a path which precludes peaceful change and ends in the use of violent means. Bangladesh was perhaps fortunate in that the overthrow of Mujib and his one-party state eventually, following further turmoil, threw up a regime under Ziaur Rahman which, while not a model of textbook democracy and high efficiency, became vastly more liberal and significantly more goal-orientated than the system it had replaced.

As the tenth anniversary takes place, it is useful to list certain aspects of the internal and external factors in the development of Bangladesh, to identify changes during the decade and to seek possible trends for the future.

## Bureaucrats and soldiers

The bureaucracy is an essential element in state building. While the politicians can, or should, be motivators of change consonant with the wishes of the people,

[1] For general background, see W. Klatt, 'The Indian subcontinent after the war', *The World Today*, March 1972, and William J. Barnds, 'The Indian subcontinent: new and old political imperatives', *ibid.*, January 1973.

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it is the bureaucracy which both provides continuity and implements political decisions. Bangladesh was not nearly so deficient in experienced administrators as some have assumed from the overall disparity (principally economic and military) between East and West Pakistan. At the Civil Service of Pakistan (CSP) level, equality in numbers between the two wings was being approached. In the Police Service of Pakistan (PSP), too, the East Pakistan share was increasing. The provincial civil service was, by definition, drawn from the East Wing, although some of the members were from among the Urdu-speaking minority group generally described as 'Biharis' and often hostile to the concept of a free Bangladesh.

A shortage of trained and experienced personnel to man senior positions was not in itself a problem. However, the political requirements of the new Mujib regime served to eliminate many potential officers. Those who had defected and joined the exile group were quickly assigned duties in the independent government. Others who had remained at their posts were less welcome and some, accused of collaboration with Pakistan, were denied posts. Still others were in West Pakistan and often interned or relieved from duty during the civil war and on their eventual repatriation frequently found an ambivalent reception. It seems clear that the motivated political screening by the Mujib government deprived Bangladesh of much administrative talent, and that often on flimsy grounds resulting from personal vendettas against officers who felt that remaining at a post might alleviate the suffering of the civilian population.

As the Mujib period ended and after a short period of reverse action against officers deemed to have been too close to Mujib, Bangladesh has in place many senior officers with high skills and motivation. The same cannot be said, however, for the lower levels of administration. The provincial civil service was not highly regarded before 1971 and its performance since then has done little to improve this image. Training institutions, especially those for middle-level in-service courses, had been disrupted by the civil war and only now are being brought back to the pre-independence standard with the assistance of the World Bank and others. Gaps in the staffing patterns often were filled during the Mujib period by politically acceptable persons without examination and occasionally without skills. The creation of a unified service out of the several elements which had existed independently with vacancies filled by examination is a step toward greater mobility and efficiency; the development of better training facilities and the instilling of a higher sense of discipline must follow. However, corruption seems no less endemic now than it was in the past.

Members of the military have been responsible for the murder of two Presidents and have been involved in other coup actions. Bangladesh has been under martial law for about one-third of its life and since the lifting of martial law concurrent with the 1979 parliamentary election, major roles have continued to be played by present or former military men. It seems unlikely that at any time in the near future the potential importance of the military in politics will diminish, although Sattar stated clearly at his induction into office that the only role he saw for the military was the defence of the nation.

General H. M. Ershad, Zia's successor as Chief of the Army Staff, had in

private proposed a constitutional role for the military, citing Turkey as an example, but his views were rebuffed by Sattar. However, on 1 January 1982, Sattar announced the formation of a National Security Council which would be headed by himself (who is his own Minister of Defence) and include the Vice-President, the Prime Minister, the Ministers of Foreign Affairs, Home Affairs, Finance and Industry and the three Chiefs of Staff of the armed services. The Council would 'advise and assist' the government in matters of foreign policy, defence, economic development and internal law and order. At the time of writing, reliable reports indicate that Ershad is not fully satisfied with this means of incorporating the military into the policy process.

The armed forces are about 90,000 strong including the three services but excluding para-military groups. Their senior and middle-level officers are drawn from the Pakistan military, but are distinguished by one or the other of two characteristics: 'freedom fighter' or 'returnee'. The majority of those active in the Army today were in East Pakistan in 1971 and many were able to defect from Pakistan Army units and to join the groups which fought against Pakistan. Zia himself was among these and on his defection was able to hold a portion of Chittagong long enough to declare the independence of Bangladesh on the radio on 27 March 1971. After a considerable delay, Pakistan, as the result of agreements among India, Bangladesh and Pakistan, returned military and civilian personnel who had been interned. After screening in 1974, the Mujib government reluctantly assimilated the returnees into the Bangladeshi services at ranks consistent with service.

The division between 'freedom fighters' and 'returnees' was but one problem during the Mujib period. Mujib distrusted the professional soldiers and created a new armed organization, the Rakkhi Bahini, which served as a parallel and rival group pledged to Mujib rather than to the nation at large. The downfall of Mujib was followed immediately by the disbanding of the Rakkhi Bahini and another, although less divisive, screening and merging of the armed forces.

The division between 'freedom fighter' and 'returnee' remains one which is troublesome to the country, its stability and that of the armed forces. The present chief of the army staff is a 'returnee' chosen both because of his evident military competence and to avoid the need to choose from among 'freedom fighters'. The personal affront felt by General Manzur, a 'returnee', at the choice of one who had not fought in the civil war was a major factor in the coup attempt led by Manzur which resulted in Zia's murder. The loyalty of the Chief of Staff and other officers and the enlisted men will be critical to the continued development of constitutional and civilian rule. It has been reported that the President's statement on the role of the military was not received with full and unanimous support by some in the armed forces who foresee a constitutional place for the services.

As the long-range importance of the military is clear, steps toward higher professionalism are needed. Assistance from the United States and the United Kingdom in training has been effective. Equipment is badly out of date despite some additional supplies (much from China) and more will be needed, further taxing the very limited resources of the country.

**The political parties**

Political parties in East Pakistan and Bangladesh have more often been single-issue movements than parties in the institutional sense. The four which have won legislative elections, the Muslim League (1946), the United Front (Krishak Sramik Party and Awami League, 1954), the Awami League (1970, 1973) and the Bangladesh Nationalist Party (1979) have all won large majorities in the assemblies. Each was led by a charismatic personality, or pledged to a single issue, or both. Despite the existence of manifestos these have often been discarded. The events of the 1947–70 period alienated the province which had voted most heavily in British India for the Pakistan movement in 1946. In 1954, the KSP and the Awami League combined in the mis-named United Front; it fell apart almost as soon as the results were in. As the Muslim League had campaigned in 1946 against Hindu domination, the United Front campaigned against West Pakistani domination in 1954. The 1970 election saw the Awami League led by Mujib sweep the polls on a platform of provincial autonomy, transformed into an independence movement following the Pakistan Army crackdown in March 1971. However, for the longer-range political development of the Bangladesh that was to be, it is important to recognize that the issue was single and the leader charismatic; the manifesto of the Awami League was of little interest to all but a few who voted for Mujib first and the party second.

After independence, the Mujib regime proscribed parties which had, in its opinion, supported Pakistan or which advocated an Islamic ideology. In the voting for parliament in 1973 with these parties excluded, although in the circumstances prevailing it probably made little difference in the result, the Awami League again swept the poll. As the economic and security conditions within the country deteriorated, partly, at least, as a result of mismanagement by Mujib and his associates, the leader curtailed political liberties and instituted, through constitutional amendment, a presidential, one-party system.

The aftermath of the coup of 15 August 1975, in which Mujib was assassinated, and the two coups of November of the same year was a martial law regime in which Ziaur Rahman became the dominant figure.[2] Zia strove to legitimize his government first with a plebiscite in 1977 and then with a contested presidential election in 1978 and parliamentary polls in 1979.[3] To support the latter two elections the BNP was formed, although it was more narrow and under a different name in 1978. The key to the discussion here, however, is that the BNP was formed to support a specific candidate (and, in 1979, his handpicked associates) and a particular programme, the 19 points for the political, economic and social development of Bangladesh. The BNP was, as all its predecessors had been, a movement and not an organized political party. Its successful support of Sattar in 1981 does not in itself alter this view; as several have noted, the 1981 election was in many respects a contest between two dead men: Mujib and Zia.

There are three important groups which are called political parties in Bangla-

[2] See Stephen Oren, 'After the Bangladesh coups', *ibid.*, January 1976.

[3] For additional information on the 1978 and 1979 elections and comparative data from earlier polls, see Craig Baxter and M. Rashiduzzaman, 'Bangladesh votes: 1978 and 1979', *Asian Survey*, Vol. XXI, No. 4 (April 1981).

desh along with a score or more of others which competed in 1979 or 1981. The three major bodies, the BNP, the Awami League and the Muslim League (out in the open since the liberalization following Mujib's fall), share at least two problems: none serves the role of aggregation of demands and none has an effective and lasting organization. The Awami League and the Muslim League, second and third respectively in the 1979 voting, also suffer from the factionalism which is so much a part of Bengali political life and with which the BNP could now be afflicted. The Awami League and the BNP each attempted to paper over factional difficulties by agreeing on a relatively 'neutral' candidate in 1981 (Kamal Hossain was the Awami League nominee).

The BNP, like the Awami League but for different reasons, was unprepared for an election; the next one it envisaged was the re-election of Ziaur Rahman in 1983. The failure to use the time since 1978 to build an organization at local level with representative tiers rising to the national level, coupled with the absence of a clearly identified political deputy to Zia, led the BNP to buy time through the nomination of Sattar, who had been appointed Zia's Vice-President under the Bangladeshi constitutional arrangement. With the success of Sattar, who at 76 has demonstrated remarkable political skill and greater stamina than was contemplated, the BNP must move towards the selection of a follow-on candidate. The appointment of the non-political but talented economist Mirza Nurul Huda does not seem to meet the political requirement.

There are other groups called parties on the scene. The revival of the conservative Islamic parties has caused concern to those favouring a more secular state (even as modified by Zia, see below), but the principal religious candidate was trounced in the presidential election. The radical Jatiyo Samajtantrik Dal (JSD) attracts more interest from overseas scholars, journalists and human rights advocates than it does from the Bangladeshi electorate. The Left, once somewhat united under the leadership of the late Maulana Abdul Hamid Khan Bhashani, has divided and redivided into so many splinter groups that it is no longer a national force in electoral politics, although the danger of extra-legal actions by the Left or the JSD remains.[4]

## The constitutional system

The operation of the three principal actors, the bureaucracy, the military and the politicians, in the political system of Bangladesh has taken place under several constitutional systems. Bangladesh moved very quickly to adopt a Constitution in 1972. It set up a parliamentary form under a document modelled largely on that of India. The Awami League, with almost every seat in Parliament, formed the government and Mujib stepped down from his temporary presidency to become Prime Minister. As already mentioned, political, economic and social conditions in the new country deteriorated during 1973. Mujib, despite a new and equally large mandate in the election in that year, instituted increasingly repressive controls on basic freedoms. This culminated in a constitutional reform which established a

[4] Talukder Maniruzzaman, *The Bangladesh Revolution and Its Aftermath* (Dacca: Bangladesh Books International, 1980) contains descriptions of each of the parties of the Left.

presidency with Mujib as President which was all but unchallengeable through peaceful political processes. It also set up the one-party system. Dissatisfaction with the regime was in no way lessened nor was performance improved. Law and order deteriorated further; food shortages multiplied; corruption was the only sector of the economy on the upswing.

The coup of 15 August 1975 brought in Mushtaque Ahmad, a Minister in Mujib's Cabinet, who became President with the promise to hold new elections and return to parliamentary government. Mushtaque fell from office in the November coups.

Zia, who quickly emerged as the principal figure in the successor government although the former Chief Justice actually held the office of President, inherited the modified 1972 Constitution. He further modified it. The single party had been scrapped by Mushtaque. Zia eventually allowed the renewal of political activity and the operation of political parties and removed the ban on such parties as the Muslim League. He did not restore the parliamentary form and retained the office of a now directly elected President (Mujib had been elected by Parliament) as the primary source of power. The limited role of Parliament, in that it does not have control over the Cabinet, is roughly comparable to that of France or Sri Lanka. Dismantling of martial law following the 1979 parliamentary election (martial law had been modified several times earlier) returned Bangladesh to a constitutional regime based on the 1972 Basic Law with the changes mentioned.

The 1972 document also enshrined the four 'pillars' of 'Mujib-bad': nationalism, democracy, socialism and secularism. While the present system supports fully the first two, there have been changes in the latter two. The present government is much more favourably disposed towards private investment, including that from overseas, and has to a certain degree reversed the socialist orientation of the Mujib era. More important has been a change in the 'pillar' of secularism. Secularism is an important part of the platform of the Awami League; Mujib clearly admired the secular provisions of the Indian Constitution. Zia, however, was put under some pressure by Arab donors to Bangladeshi economic development and felt compelled to modify the Constitution to the effect that Muslims in Bangladesh would be provided by the government with an opportunity to order their lives in accordance with the Quran and the Sharia. The step also appeased Muslim fundamentalists whose strength was assessed, probably incorrectly, as growing. It is interesting that Zia called in representatives of the minorities the evening before the announcement was made to give them assurances of their continued freedom. His assurances were apparently not fully accepted as it appears clear that Hindu voters supported his rival in 1978 and the Awami League in 1979.

## International factors

Bangladesh must operate in an international environment which means, first, its immediate neighbours in South Asia. Relations with India have not been uniformly cordial. Gratitude for Indian assistance in the civil war was soon dissipated; disagreement over the Farakka barrage[5] was but one of the causes of the disen-

[5] See K. P. Misra, 'The Farakka accord', *The World Today*, February 1978.

chantment. In the longer run, an independent Bangladesh found that Muslim fears of the larger neighbour were not diminished by separation from Pakistan. Trade between the two countries was vastly unequal and Bangladesh soon found itself a major debtor to India. Despite opposition, Mujib maintained close relations with India to the end of his regime. At the same time, he avoided diplomatic relations with Pakistan, although Pakistan did formally recognize Bangladesh during the Islamic summit of 1974.[6]

Zia arranged for an exchange of ambassadors between Bangladesh and Pakistan in 1976, but he also tried to broaden relations with other countries in the area. Zia was the only South Asian head of government to visit each of the other countries, completing his journeys in 1977 with visits to Nepal, India and Pakistan (he had visited Sri Lanka earlier). His government was able to arrange a stopgap agreement with India on Farakka, but the eventual solution to the problem remains distant and there are other disputes as well. There is no doubt that Bangladesh felt more comfortable with the Janata government in New Delhi; the return of the Gandhi government, bringing fears of renewed Indian meddling in Bangladesh, has not been welcome in Dacca. Zia's efforts to create a forum for regional consultations resulted in a series of meetings at the Foreign Secretary level.

Under Zia, Bangladesh developed close ties with the Arab Muslim world and received recognition and substantial economic assistance as a result. Elsewhere in the international field, the Zia government changed what under Mujib had been a very close relationship with the Soviet Union[7] to one of correctness but less than full cordiality, although Moscow remains an important donor of aid. The United States—seen by Bangladeshis as a supporter of Pakistan during the civil war—and China—whose veto kept Bangladesh out of the United Nations for some time—now have close relations with Bangladesh. The United States is the major supplier of food and development assistance and, as noted earlier, has begun a small military training programme. China has supplied some military assistance and specialized technical assistance. The United Kingdom is also a source of economic and military aid of considerable importance. Bangladesh is an active and respected participant in international fora, has been a member of the Security Council and was present at the Cancun summit in Mexico last summer.

Although this article is concerned primarily with the political system, such systems do not operate independently of the economic and social systems. The newly elected President, Abdus Sattar, while continuing with an emphasis on the Zia programme in general, has set among his goals increased food production, more effective family planning and expanded availability of education.

In the latter two areas, family planning and education, the results of a decade of often dilatory attention have been much less than satisfactory. The population of about 90 million is growing at the rate of 2·7 per cent annually indicating a doubling in about 25 years. Government efforts have been supported by foreign and international agency assistance, but it is evident that much remains to be done and that quickly. Steps have been taken to divert funds from the high allocations

[6] Vijay Saroop, 'The Islamic summit', *ibid.*, April 1974.

[7] See G. W. Choudhury, 'Moscow's influence in the Indian subcontinent', *ibid.*, July 1972.

for students undergoing college and university education to primary and vocational levels, but barely one-third of the potential enrolment is in class, literacy remains at about 25 per cent and demand for trade skilled personnel is not met. The last results partly from the export of skilled personnel, a practice which helps terms of foreign exchange earnings but is detrimental to development.

The basic element in economic development is the production of food grains, especially rice. A goal shared by Zia and Sattar is self-sufficiency. Bangladesh has increased its cereal production by a little over 2 per cent during its first decade, with higher figures in the Zia period offsetting lower numbers earlier. A significant proportion of this (1·7 per cent) has come from increased yields and a fraction (0·3 per cent) from expansion of the area under cultivation. Yields, however, are very low, e.g., about 35 per cent of those in South Korea. Despite the increase in absolute production, the growth has not kept pace with the rise in population. Imports of about 10 per cent of total consumption seem likely for some time to come despite the concerted and rather effective programme to increase production.

Budgetary difficulties are endemic with deficits mounting. One penalty imposed for this has been the discontinuance of International Monetary Fund payments while another has been inflationary pressures. Fiscal disciplinary measures have been prescribed by the IMF, but implementation is questionable.

In sum, Bangladesh has shown political resilience which, no doubt, has surprised many who did not think it viable in 1971. It has bounced back after two tragic assassinations of its leaders, has held, since 1975, three successful elections, and is, barring misfortune, on a path towards representative and participatory government. Clouding the horizon are a difficult economic scene, a still rapidly growing population, and—although the hope is that such fears are unfounded—an ambiguity in the role the military sees for itself.

PRINTED IN ENGLAND BY POPPER & COMPANY LTD, WELWYN GARDEN CITY, HERTFORDSHIRE

# THE TIBET JOURNAL

A quarterly for the study of Tibet published by the Library of Tibetan Works & Archives at the Headquarters of His Holiness the Dalai Lama.

Annual subscription per volume (4 issues):
Airmail £7: $15; Seamail £4.50: $10

Vol. VI. No. 3. Autumn 1981

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# THE WORLD TODAY

THE WORLD TODAY, *founded in 1945, is issued under the auspices of the Royal Institute of International Affairs and published monthly by the Oxford University Press*

**Annual subscription** *Vol. 38 (1982)*
(post free)
*UK £12*
*US $34*
*Elsewhere £15*

**Single copies**
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CHATHAM HOUSE



ISSN 0043-9134

# THE WORLD TODAY

ROYAL INSTITUTE OF INTERNATIONAL AFFAIRS

EDITOR: LILIANA BRISBY

**March 1982** **Vol. 38 No. 3**


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# Berlin in the post-détente era

ROGER MORGAN and CAROLINE BRAY

A CURIOUS feature of the worsening East–West situation of the early 1980s is that one of the critical trouble spots of earlier years, Berlin, today appears as an oasis of calm. The international situation of Berlin, even though it remains a matter of concern for Germans (and helps to explain Chancellor Schmidt's active efforts to prevent the Polish crisis from escalating), is now rarely in the news, occupying the attention of only a handful of professional 'Berlinologists'. The period of the 1970s, since the conclusion of the Quadripartite Agreement in September 1971,[1] has been one of distinct calm as far as Berlin is concerned, in marked contrast to earlier periods of crisis, which reached their highest points in 1948–9 and in 1958–63. The Quadripartite Agreement, in fact, seems to have created a durable compromise between East and West on the subject of Berlin, which could be regarded as the one incontrovertible success of the 'era of negotiations' proclaimed with such confidence by President Nixon in 1969. The strategic arms limitation process has led (despite the real progress marked by SALT I) to disappointment and mistrust; and the Conference on Security and Co-operation in Europe (CSCE) and the Helsinki Final Act to the sterile wrangling still in progress in the Madrid follow-up meeting. The mutual force reduction talks (MBFR) in Vienna look like becoming, as President Brezhnev remarked in the mid-1970s, a matter which will be settled, if at all, by the children or grandchildren of the current negotiators; and even the Treaty on Basic Relations between the two German states,[2] concluded in 1972, has resulted in little more than an uneasy modus vivendi. The Berlin agreement, in contrast, has produced real results; one can even say that it has allowed 'the Berlin problem' to remain dormant, despite the significant revival of East–West tension symbolized by the crises in Angola and other parts of Africa since 1976, in Afghanistan since the end of 1979 and, most recently, in Poland.

As the tenth anniversary of the Quadripartite Agreement approached, occasional statements by representatives of the two super-powers in the spring of 1981 indicated that the Berlin settlement was indeed regarded by both sides as an example which, they argued, should be copied in other areas of East–West relations. If the actual anniversary, in September 1981, was marked with less formal and less outspoken declarations by both sides, this was clearly because the

[1] For background, see Dieter Mahncke, 'The Berlin Agreement: balance and prospects', *The World Today*, December 1971.
[2] See Hilary Black, 'The East–West German Treaty', *ibid.*, December 1972.

Dr Morgan is Head of the European Centre for Political Studies at the Policy Studies Institute in London, and Caroline Ward Bray is a Research Fellow at the Centre. This article incorporates some of the conclusions of a forthcoming study of *Berlin and the European Community: the policies of Britain, France and West Germany*, supported by a grant from the Social Science Research Council. A French version of this article will appear in the spring issue of *Politique Etrangère*.

broader process of East–West agreement had by then run into considerable difficulties.

In the early 1980s, in contrast to earlier stages of post-war history, commentators have suggested that any future 'Berlin crisis' is less likely to result from East–West conflicts than from the internal problems of the city of West Berlin: the gradual decline of the population, and its progressively less favourable occupational structure; the political crisis symbolized by the decline and fall of the SPD government of Dieter Stobbe, and the insecure basis of the CDU administration under Richard von Weizsäcker, which emerged with some difficulty after the Berlin election of 10 May 1981; and the uncertain long-term prospect for the economy of the city.[3]

That the Berlin problem has become less acute would indicate that all the powers concerned have entered a tacit agreement to leave the situation as it is: in other words, that the four signatories of the Quadripartite Agreement, the United States, France, Great Britain and the Soviet Union, as well as the two German states and the Berlin city authorities in East and West, are all inclined to accept compromise rather than push their respective points of view to extremes. This is, indeed, the case in general terms, but nevertheless this apparent consensus is still underlain by a substructure of acutely conflicting points of view: in theory, most or all of the parties to the Berlin problem would like to see changes in the provisional statute of Berlin and, in theory at least, are against complete acceptance of the old French maxim that 'only the provisional lasts'. The Quadripartite Agreement of 1971 was in fact possible because the wish of all sides for an accommodation was strong enough for them to recognize that there were deep differences between their interpretations of the situation: the Soviet Union and the Western powers explicitly stated in the text that their agreement was 'without prejudice to their legal positions'.[4]

## Conflicting long-term aims

What in fact are the underlying long-term maximum aims of the various parties? In theory again, for the Western powers, there can be no permanent settlement of the Berlin problem before the conclusion of a peace treaty between a German state and the victorious allies of 1945. As they see it, still in theory, this German state would be a reunified one, with its capital presumably in Berlin. Until this hypothetical peace treaty is signed, the Western powers take the view that the four signatories of the original London Agreements of 1944 and 1945 remain jointly responsible for Berlin, as for the future of Germany as a whole. Even though the Soviet Union does not fully accept its share of this responsibility (i.e. in the 'Eastern Sector' of Berlin or in relation to access over East German territory), the three Western powers make a point of maintaining their rights and responsibilities intact: this is the reason why they insist on approving West German legislation before it is applied in West Berlin. They do not accept either the incorporation of

[3] For a detailed examination of social and economic trends, see Martin J. Hillenbrand (ed.), *The Future of Berlin* (Montclair, New Jersey: Allenheld, Osmun, 1980), pp. 81–227.

[4] Preamble to *The Quadripartite Agreement* signed at Berlin on 3 September 1971 (Cmnd. 5135, Treaty Series No. 111, 1972).

East Berlin into the German Democratic Republic (and still less the Eastern claim that East Berlin is the *capital* of the GDR—for the Western allies, East Berlin is only the GDR's 'seat of government'), nor any Soviet claim to a say in some aspects of West Berlin's affairs.

The Soviet point of view, variously stated, is almost the mirror image of the Western one. For Moscow, there is no real problem about the legal status of Berlin, since the whole of the city was allocated to the Soviet zone of occupation in 1945; West Berlin, and not 'Greater Berlin' is subject to Four-Power status, and the Western Allies administer their Sectors and have access to them under Soviet authority; civilian access is by GDR permission. They see it as perfectly natural and legal for East Berlin to have become the capital of the GDR and deny West Berlin the automatic right to links of any kind with the Federal Republic. This is the background of the Soviet view that West Berlin must be regarded as an independent legal entity, and of their highly restrictive interpretation of the principle that West Berlin cannot be a constituent part of the FRG and must not be governed from Bonn.

With regard to the respective positions of the two German states, it is evident that they are in direct conflict with one another, though neither German state accepts every part of the interpretation held by its protecting allied power or powers.[5] For West Germany, West Berlin is in theory an integral part of the Federal Republic: this was laid down in the FRG's Basic Law of 1949 and in the Constitution of West Berlin the following year, and the immediate suspension of the relevant clauses by the Western allies does not, in the West German view, weaken their ultimate validity. Even though the FRG accepted at the time of the Quadripartite Agreement that official acts of the West German state (for instance, the election of the Federal President) should no longer take place in West Berlin, this is seen merely as a tactical concession, made in order to secure other advantages, in particular Soviet acceptance of the status quo, which included effective links between West Berlin and the Federal Republic.

The long-term objectives of the GDR are in theory very close to those of the Soviet Union. The GDR's tactics are often flexible, but the long-term aim is clear: there is no acceptance whatever of legal links between West Berlin and the FRG, and there have been many indications, despite the Quadripartite and subsequent inter-German agreements, that the GDR ultimately would like to see the elimination of an independent West Berlin, which can only be a factor of destabilization from the East German point of view. Even though road traffic between West Berlin and the FRG has been subjected to much less harassment since 1971, and even though the GDR has accepted such concessions as the right of West Berliners to travel into the GDR's territory, such East German steps as the massive increase in the minimum exchange requirement for Western visitors in October 1980 clearly indicate the determination of the GDR, despite FRG rapprochement, to

[5] For an authoritative West German account of the legal position of Berlin, see Ernst R. Zivier, *Der Rechtsstatus des Landes Berlin*, 3rd expanded edition (Berlin: Berlin-Verlag, 1977). The views and aims of the Four Powers and the two Germanies before and after the Quadripartite Agreement are outlined by Hillenbrand, *op. cit.*, pp. 3–76. Soviet views are outlined by V. Wyssozki, *Westberlin* (Moscow: Verlag Progress, 1974), pp. 295–9, 307–14).

minimize contacts by West Berliners and Westerners generally with its citizens.[6]

It is thus clear that the conflicting interests which the Quadripartite Agreement was able to leave to one side make the situation of West Berlin fragile and potentially still vulnerable to pressure. Given their geographical advantages, the Soviet authorities or East Germany could once again interfere massively with land traffic between West Berlin and the West, imposing acute delays or even a blockade on the *autobahn*, and thus revive the sort of crisis Berlin experienced in 1948 or in 1958. One of the most interesting and important questions about Berlin is why, in fact, the Soviet and East German authorities have not sought to exploit their unquestionably strong position. The answer appears to be that recent Soviet (and GDR) moderation towards Berlin may be motivated by six considerations (some of which, indeed, may already have induced Khrushchev to terminate an earlier Berlin crisis in 1963):

(i) both Moscow and Pankow draw advantages (including West German credits) from current East–West economic dealings, which might be compromised by a Berlin crisis;

(ii) Soviet control of East Germany, here and now, is greatly facilitated by the Soviet presence in Berlin (especially as manifested in the authoritative figure of P. Abrassimov, the Soviet Ambassador to the GDR);

(iii) the quadripartite status quo gives the Soviet Union a valuable *droit de regard* in relation to the whole future development of Germany, and this notional four-power control would be less easy to exercise in conditions of enhanced tension in and around Berlin;

(iv) although West Berlin must appear to the Russians as a hostage or a security, which could still be exploited by the Soviet Union or East Germany to obtain co-operative Western behaviour on issues such as theatre nuclear force modernization or possible Western support for Poland, this effect could only prevail as long as the threat to disrupt Berlin's relations with the West can be invoked (as it was, for instance, by the East German Foreign Minister, Herr Oskar Fischer, in December 1980) but not implemented;

(v) it may appear to the Russians and the East Germans that any renewed Berlin crisis at this time would cement the solidarity of the West in general and reduce the current divergences in West European and American views on Central Europe;

(vi), time may appear to Moscow to be on the Eastern side, in the sense that growing neutralist tendencies in Europe, together with a long-term economic and demographic weakening of West Berlin, might ultimately allow the city to fall under Soviet influence without any need to provoke a crisis.[7]

The Western powers, it goes without saying, have an even stronger interest in maintaining a low level of tension around Berlin. Governments in the West are already facing quite enough problems both in foreign policy (in North–South as well as East–West relations) and in their internal affairs, to make them feel a strong sense of relief that the Berlin situation, at least, is now calm.

[6] Events since the Quadripartite Agreement are catalogued by Honoré M. Catudal, *A Balance Sheet of the Quadripartite Agreement on Berlin* (Berlin: Berlin-Verlag, 1978).

[7] Cf. Hillenbrand, *op. cit.*, pp. 33–4.

**Berlin dimension to European unity**

In everything affecting Berlin, the position of the West German Government is naturally of the highest importance; in fact, many German actions on other issues have a bearing on Berlin. There was, for instance, a 'Berlin dimension' in the series of declarations and proposals in favour of a closer European Union advanced, first, by the West German Foreign Minister, Herr Genscher, in a speech to an FDP party rally in Stuttgart in January 1981, and followed by others later during the year.[8] To begin with, there is the obvious need for the West European countries to reaffirm their solidarity, at a time when the European Community is threatened both by external dangers and by internal disputes about the budget and other matters. Secondly, as in all German declarations and proposals about the European Community, there is no doubt a specific German concern to counteract tendencies towards destabilization within the Federal Republic itself: a reaffirmation of support for European Union may, in Herr Genscher's view, do something to counteract the tendencies towards neutralism in the left-wing of the SPD, and the similar tendencies represented by the success of the 'Alternative List' in the Berlin city elections in May 1981. It may also combat the growing West German dissatisfaction with the cost and ineffectiveness of the Community. Thirdly, there may well be an element of electoral calculation underlying Herr Genscher's initiative. Now that the FDP is supporting a CDU Government in Berlin, and now that the FDP's Bonn coalition with the SPD is undergoing considerable strain on budgetary and other questions, the possibility of a revival of the old CDU/FDP coalition is becoming stronger—at least after the 1984 Federal election or after Helmut Schmidt's eventual withdrawal from the Chancellorship. The European theme has always been dear to the Christian Democrats of West Germany, and the FDP's insistence on its commitment to European integration could form an important element in a realignment of the two parties. Finally, however, it is important to explore the above-mentioned links between European integration and the problem of Berlin, as they are seen by Herr Genscher and others responsible for German foreign policy. Ever since the Treaty of Rome in 1957, which was accompanied by an agreement that the provisions of the Treaty should apply to West Berlin (subject only to the reservations, relating to their sovereign rights, which the Western allies saw as necessary), the European Community has represented a new dimension in the Berlin problem, which has at times added further complexities to an already complex situation.[9] The reason why the Federal Republic's Western partners accepted the de facto incorporation of West Berlin in the European Economic Community from the 1950s onwards was their strong support for the West German aim of maintaining and developing the economic prosperity of the

[8] See speeches and documents in *Europa-Archiv*, 26 March 1981 and 25 January 1982.

[9] For discussion of Berlin's legal position in the EC, see Hanns H. Schumacher, 'Die Eingliederung von Berlin (West) in den Hoheitsbereich der Europäischen Gemeinschaft', *Europa Recht*, 2 (1980), p. 183–9; Wilhelm Wengler, 'Berlin-Ouest et les Communautés Européennes', *Annuaire Français de Droit International 1978*, pp. 217–36; Gottfried Zieger, 'Die Rechtsstellung Berlins in den Europäischen Gemeinschaften', *Festschrift für Menzel*, Berlin (1975), pp. 581–605; Zivier, *op. cit.*, pp. 120–3, 233–6.

city; thus they backed Berlin's ambition to benefit to the maximum from the various development funds of the Community, as well as from the commercial advantages of membership. 1968 saw the creation of an EEC information office in West Berlin as a sub-office of the Community's office in Bonn. There were also some loans from the European Investment Bank, and one or more West Berlin members of the Bundestag were usually included in the delegation of 36 Germans in the indirectly elected European Parliament.

It was only after the conclusion of the Quadripartite Agreement in 1971 that West Berlin's position in the European Community began to raise certain problems, and in particular that some slight differences in approach between the Federal Republic and its Western partners became noticeable, less in the economic than in the political sphere. For the Federal Republic, the 1971 Quadripartite Agreement meant the end of the constitutional links between the Federal Republic and the city which had, in German eyes, existed earlier: there could no longer be any plenary sessions of the Bundestag in Berlin, and the election of the Federal President could no longer take place there as it had done up until 1969 (even though, on the other hand, the Quadripartite Agreement recognized the FRG's right to represent West Berlin in international negotiations).[10] Again, the Agreement implied the ending of West Germany's policy of installing government offices in Berlin. The Bonn government was, however, able to explore another avenue of solidifying the Federal Republic's links with West Berlin, namely the fact that the Quadripartite Agreement was silent on the question of West Berlin's links with the European Community. However, any such use of the EC dimension to develop West Berlin's links with the West was likely to provoke resistance from the Soviet Union, because it would conflict with the long-term Soviet aim of separating West Berlin from the West. From the Soviet point of view, the provision in the Quadripartite Agreement that 'the situation which has developed in the area . . . shall not be changed unilaterally'[11] was taken to imply that West Berlin would continue to be part of the European Community as the latter was constituted at the time the Agreement was signed (though the Soviet negotiators of the Quadripartite Agreement were aware that the Community was engaged in a process of dynamic development). For Bonn and for West Berlin, however, the potential significance of Berlin's membership of the Community was increased by the very fact that the Community proposed to develop very substantially, both in the range of its policies and in the weight of its institutions, during the 1970s. The process that began with the Paris summit conference of October 1972, it will be recalled, aimed at the creation of a 'European Union', complete with a wide range of spending programmes in the fields of social, regional and industrial policy among others, an extension of the Community's powers in the field of external relations, and substantial institutional developments, including the direct election of a European Parliament. The prospect of a substantial advance in European integration was of interest to the Federal Republic for several reasons, one of them being that it offered the possibility both of involving the

[10] *Quadripartite Agreement* on Berlin, Part II.B and Annex II; Part II.D and Annex IV.
[11] *Quadripartite Agreement*, General Provisions, Part I.4.

Community in the economic development of West Berlin and of tightening the city's links with the Western world, including the Federal Republic.

The closer incorporation of West Berlin into the European Community may take any one of five main forms: first, the bringing of Community financial subsidies to the city; second, the installation there of Community agencies, research centres etc.; third, the application in Berlin of Community legislation (a continual process); fourth, the consolidation of the international position of West Berlin, and incidentally the city's links with the Federal Republic, through the inclusion of Berlin in the Community's external agreements with third countries; and fifth, the institutional incorporation of West Berlin in the Community, for instance by the city's participation in direct elections to the European Parliament. As will be seen, these various forms of involvement of Berlin in the Community's affairs in some cases pose no problems, whereas in other cases they potentially raise issues of the greatest political significance.

The first form of involvement, the payment to West Berlin of Community subsidies, raises no particular difficulties: since 1971 Berlin has received an increasing volume of grants and loans for unemployment and retraining, for development projects, and for research. Berlin is recognized by the Community as a priority area for regional aid, on the same grounds as the frontier areas along the Eastern border of the Federal Republic and many other disfavoured regions; this allows Berlin, in addition, to continue to receive, without contravening Common Market competition rules, the massive West German subsidies including aids to industry, which are essential for the city's economic viability.[12]

The second form of involvement, the establishment of Community agencies in Berlin, has raised rather more problems, since it echoes the difficulties encountered in the early 1970s when the Bonn government set up the Federal Environmental Office in West Berlin: as will be recalled, this provoked very strong Soviet protests on the ground that it implied the incorporation of West Berlin into the FRG; and although the Western allies defended West Germany's decision to install the environmental office, they made it clear that such exercises should not be repeated. Soviet protests on similar grounds accompanied the setting up in Berlin of the European Centre for Vocational Training, financed and managed by the European Community (the authorities in Bonn and West Berlin had wanted to install this Centre in Berlin rather than in, say, Hanover for obvious reasons of national interest). Again, although the reaction of the FRG's Western allies appears to have been less strong than in the case of the Federal Environment Office, their general position seems to be that—even if the Community were in a position to set up new institutions of this kind in Berlin or indeed elsewhere—it would not be advisable for them to be located in Berlin at the risk of provoking a hostile Soviet reaction.[13]

[12] Zieger, *op. cit.*, pp. 602–5; Jochen Jahn, *Die Europäische Gemeinschaft und Berlin* (Dissertation, Cologne, 1966); see also, e.g., Articles 82, 92–94 and Joint Declaration on Berlin in Treaty of Rome (EEC Treaty), 25 March 1957.

[13] Soviet and GDR protests are documented in *Das Vierseitige Abkommen über Westberlin und seine Realisierung, Dokumente 1971–1977* (Berlin: Staatsverlag der DDR, 1977), pp. 215, 219, 239; Hillenbrand, *op. cit.*, p. 74.

The third form of involvement—the direct application of Community legislation in Berlin—potentially raises serious difficulties.[14] The Soviet Union could argue that the Western occupying powers have renounced to the European Community their right to govern West Berlin, and that this legitimizes the Soviet view that sovereign control in East Berlin may properly be exercised by the GDR. For this and other reasons, the Western allies have taken steps to ensure that they review all legislation before its enactment in Berlin; moreover, any Community legislation which might affect their own rights and responsibilities must be notified to them well in advance, to allow time for due consideration and adjustment in drafting. In practice, given the relatively limited scope of Community legislation, these precautions might only be necessary in a very small number of cases: if, to take one example, Community responsibility for the oversight of air traffic throughout the EC area were found to clash with the overriding rights of the Four Powers to control air traffic to and from Berlin.[15] There might, however, be other cases where the position of the allies is affected by developments in Community legislation: the decision of the Community governments to introduce a common passport for all Community citizens is an issue which has a bearing on the status of West Berlin passports (currently valid for international travel only if they are duly stamped by the Western authorities in accordance with provisions of the Quadripartite Agreement); there might be much more serious problems if, for instance, the European Community were to develop a common policy for the procurement of military equipment, since the production of such equipment in West Berlin, or even debate on the subject by Berlin Members of the European Parliament, could contravene the demilitarized status of the city. The importance of the above examples is that any of them might be said to put in question the rights and responsibilities of the Western allies, and hence to undermine their carefully preserved legal position as guarantors of Berlin's status.

The fourth dimension of West Berlin's relations with the Community—the inclusion of the city in external agreements—has already created a good deal of friction between the West and the Communist countries, in view of the underlying argument of the latter that West Berlin is 'an independent political entity' and their unwillingness to let it be externally represented either by the FRG (despite the provisions of the Quadripartite Agreement) or by the European Community. There are several examples of international agreements whose conclusion has been complicated or delayed by the West's insistence on the participation of Berlin. Mozambique, for instance, refused to join the Lomé Convention because of the inclusion of Berlin as part of the Community, and initially there were also some delays in the conclusion of textile agreements between the Community and several East European countries (though these difficulties have been overcome). The conclusion of an agreement between the Soviet Union and the European Community on the regulation of fishing in the North Atlantic was similarly held up, to the annoyance of some of West Germany's partners in the Com-

[14] See references at footnote 9 above.

[15] Soviet co-operation in the Berlin Air Safety Centre is one of the last vestiges of Four-Power administration; the other is Spandau prison, housing Rudolf Hess.

munity, because of West Germany's insistence on the inclusion of West Berlin.[16]

The fifth and last dimension—that of West Berlin's full inclusion in the institutional development of the Community—poses perhaps the most difficult problems. When the Community governments finally decided in the late 1970s to proceed with the election of the European Parliament by direct suffrage, there were strong Soviet protests against any direct elections taking place for the members of the Parliament who were to represent West Berlin.[17] In substance, these protests were accepted by the Western governments (it will be recalled that not even the Berlin members of the West German Bundestag are directly elected), and it was agreed that, although three of the Federal Republic's allocation of 81 members of the European Parliament would represent Berlin, they would be elected not directly but by a vote of the Berlin House of Representatives. This procedure was duly applied at the time of the first European direct election in 1979, when the Berlin House of Representatives nominated two Christian Democrats and one Social Democrat as Berlin members of the European Parliament. It has been strongly argued by members of the CDU in Berlin that this procedure discriminates against West Berlin, and makes it less than a fully fledged part of the Community, but there appears to be no prospect that this argument will lead the Western allies to reconsider their view before the next European Parliament election in 1984.

West Germany's allies—whether they are members of the European Community like the United Kingdom and France, or interested non-members like the United States, are in full agreement with the Federal Republic's wish to maximize the links between West Berlin and the Community; but there are some points of detail on which, from their point of view, the full application of this policy by the FRG might provoke certain reservations. All in all, however, the legal and political problems which could potentially arise from the incorporation of West Berlin into the Community should not be expected to be a source of any serious inter-allied tensions. Indeed, it could be argued that West Berlin's only guarantee of being able to participate in the legal order and institutional development of the Community at all lies in the precise observation of the Western Three's rights and responsibilities as paramount authorities in the Western Sectors. No one, and perhaps least of all the Federal German government and the West Berlin city authorities, has an interest in pressing legal claims—for instance the argument that West Berlin should be in every respect an equal of every other area of the European Community—to the point where they might endanger the precarious balance of interests reflected in the Quadripartite Agreement of 1971. It is this balance, after all, that has transformed Berlin from one of the main sources of East–West crises in the 1940s, 1950s and 1960s, into a remarkable island of stability in the increasingly turbulent world of the 1980s.

[16] Christoph Sasse, 'Osthandel der EG und Deutschlandfrage', *Politik und Kultur* (Berlin, Heft 4, 1978), pp. 43–4; cf. Wengler, *op. cit.*, pp. 231–4.

[17] For the Soviet declaration and the Allied reply, see *Das Vierseitige Abkommen . . . op. cit.*, pp. 279–80, 297–8; for a further statement of Soviet views, see Piotr Abrassimov, *Westberlin gestern und heute* (Berlin: Staatsverlag der DDR, 1981; Moscow 1980), pp. 146–9.

# Finland after Kekkonen

F. SINGLETON

THE Kekkonen era in Finland came to an end 27 October 1981, when, after more than 25 years in office, the world's longest serving democratically elected Head of State was forced to retire through ill-health. The election of his successor, President Koivisto, in January 1982 will not change the fundamental course of Finnish foreign policy, as the new President shares with most Finns the determination to follow the Paasikivi–Kekkonen line which has served the country so well since the end of the Second World War. It will probably change the style of government, however, especially as it affects the domestic economic and social scene. The Finnish Constitution grants to the President far wider powers than those given to the heads of state of most democratic countries. They include virtual control over foreign relations, the command of the armed forces, the power to dissolve Parliament, to initiate legislation and to veto Bills, and the right to appoint judges, university rectors and senior civil servants. In addition to these formal powers, a president who serves as long as Kekkonen has done acquires a vast array of informal influences which enable him to stamp his personality on the body politic.

Mauno Koivisto, the docker's son from Turku, is a man of different background to that of Urho Kekkonen, the countryman from the rural backwoods of eastern Finland. Koivisto's youthful experience as a student and social worker in post-war Finland contrasts with that of Kekkonen, who came to maturity during the 1920s, in the early years of Finnish independence.

Kekkonen's career mirrors the history of his homeland during the twentieth century. In 1900, when he was born, Finland was a Grand Duchy of the Tsarist Empire. After Lenin's seizure of power, Finland declared its independence on 7 December 1917 and, within a few weeks, was plunged into a bitter civil war. Kekkonen served in General Mannerheim's White Army, which, with German help, crushed the Reds amidst a welter of fratricidal bloodshed. In a recent memoir, Kekkonen confessed that he was still haunted by the terrible memory of an incident in the civil war, when he was responsible for the execution of four captured Reds. Before entering the *Eduskunta* (Parliament) in 1936, he made his name as a sportsman, at a time when Paavo Nurmi, the 'Flying Finn', was blazing the trail which put Finland in the forefront of international athletics. In 1931 he became President of the prestigious Sports Federation, and remained an active runner and skier into his seventies.

When he first entered politics, as a member of the Agrarian League,[1] Kekkonen seemed to share the anti-Communism and nationalism of the small farmers he

[1] In 1965 the Agrarian League (Maalaisliitto) changed its name to that of the Centre Party.

The author, formerly Chairman of the Postgraduate School of Yugoslav Studies at the University of Bradford, was a post-graduate student in Helsinki in the early 1950s and continues to visit the country regularly, most recently for a lecture tour.

represented. His suspicions of the Russians were confirmed by the Soviet attack on his country in 1939, and when Finland was forced to accept the Peace of Moscow in 1940, Kekkonen spoke out against ratification. For the next three years, during which Finland again became involved in war with the Soviet Union, Kekkonen worked to resettle the refugees made homeless by the frontier changes in Karelia in 1940.

In December 1943, in a speech in Stockholm, he first made public the misgivings which many Finns were beginning to feel about the wisdom of a foreign policy which had led them into co-belligerency with the Nazis in a war which they appeared to be losing. Kekkonen's speech on the theme of 'Good-neighbourliness with the hereditary enemy' was the first step in a process of re-education which completely transformed Finnish attitudes to the realities of their geopolitical situation. The romantic dreams of Greater Finland as a Christian bulwark against the godless hordes of Asia were abandoned. Mannerheim, the army commander who became President in 1944, told them that, however gallantly they fought, they could not stand against the sheer weight of the Red Army. Paasikivi, the conservative banker and the one prominent Finn with whom Stalin felt he could do business, stuck to the line which he had first advocated in pre-independence days—Finland must face facts and come to terms with its great eastern neighbour, whether Tsarist or Bolshevik, if it is to preserve its national identity. Paasikivi, who succeeded Mannerheim in 1946, began to lay the foundations for a new approach to Soviet-Finnish relations. A close supporter of Koivisto put the position to the present writer with the wry humour typical of Finns: 'The Bible tells us we must both love and respect our neighbours, but for fallible humans it is hard to do both. We respect the Russians.'

### The Paasikivi–Kekkonen line

The formal basis of the new relationship was the Treaty of Friendship, Co-operation and Mutual Assistance (known by its Finnish initials as the YYA Treaty), concluded in 1948 and since renewed until 1990. As it has been subjected to much misunderstanding and misinterpretation by Western commentators, it is perhaps necessary to summarize its main provisions. Article I states that, should 'Finland, or the Soviet Union *through Finnish territory*' be attacked 'by Germany or any state allied with the latter', Finland will 'fight to repel the attack . . . *within the frontiers of Finland* . . . and if necessary with the assistance of, or jointly with, the Soviet Union.' Armed assistance must be '*subject to mutual agreement*' [author's emphasis]. Article II provides for joint consultation if 'it is established that the threat of an armed attack is present'. The remaining clauses of this short treaty pledge the signatories to respect each other's integrity and to refrain from joining alliances directed against the other party. There are also clauses dealing with the development of economic and cultural relations. Only once, in 1961, has an attempt been made to invoke Article II concerning joint consultations, because of a threat which Nikita Khrushchev alleged had arisen from the proposed participation of German forces in joint Nato exercises in the Baltic.[2] Kekkonen flew to

[2] See George Maude, 'Finland's security policy', *The World Today*, October 1975, p. 407.

Novosibirsk to explain to the Soviet leader that Finland perceived no such threat. He returned to Helsinki to inform his people that the crisis was over, and not surprisingly he was able to turn the affair to good advantage in ensuring his re-election in the 1962 presidential contest. Since then, Kekkonen was assured of re-election whenever he chose to stand—and even on one occasion when he chose not to, and had his term extended by parliamentary vote.

During the 1970s, secure in his feeling of indispensability, Kekkonen began to take initiatives in foreign policy which carried the Paasikivi–Kekkonen line far beyond the cautious, 'low profile' concept of his predecessor. He involved Finland in UN peacekeeping operations in Cyprus and Suez, obtained Soviet acceptance of Finland's association with Efta and the European Community, balancing the latter with a treaty with Comecon[3]. He also promoted closer co-operation with Finland's Scandinavian neighbours in the Nordic Council, although he failed to win them over to his proposals for a northern nuclear-free zone. The high point of his policy of active neutrality was the 1975 Helsinki summit conference on European Security and Co-operation, in the preparation of which he played a decisive role.

Kekkonen wrote in 1980 that the objectives of his policy were 'peace, national independence, the country's vital interests and good international relations'.[4] He has always maintained that the policy of neutrality is of vital importance in the preservation of Finland's democratic system. 'We shall stand by our democracy and we shall defend it.'[5] 'Good-neighbourliness', however, does not mean subservience, or the 'odd concept of "Finlandization" which has been created'[6] by some Western commentators to explain Finland's relations with the Soviet Union. Few in Finland now question that the Paasikivi–Kekkonen line was in the national interest and that it has paid handsome dividends, although in the early days those who advocated it were often bitterly attacked. Kekkonen recalls the robust vilification to which he was subjected in the early post-armistice period. 'When we began implementing the terms of the armistice . . . "brown tongued" was the epithet of abuse that we heard and saw most frequently.'[7]

### The presidential election

During the run-up to last January's presidential election, there were speculative stories in the Western press that the Soviet Union would use its influence to prevent the election of Koivisto and promote that of Ahti Karjalainen, a former Prime Minister and Foreign Minister and co-chairman of the Finnish-Soviet Economic Commission. In fact, Mr Karjalainen was not chosen as the Centre Party's candidate, despite the backing of the whole party leadership, as a grass-roots revolt resulted in the nomination of the Speaker of the *Eduskunta*, Dr Johannes Virolainen. Because of the curious mechanism of the presidential electoral college, it was still thought possible that Karjalainen could be drafted as a 'dark horse' outsider if a deadlock occurred. This was the hope of the hard-line,

[3] See F. Singleton, 'Finland, Comecon and the EEC', *ibid.*, February 1974.
[4] Urho Kekkonen, *A President's View* (London: Heinemann, 1982), p. 179.
[5] *ibid.*, p. 179. [6] *ibid.*, p. 57. [7] *ibid.*, p. 53.

pro-Moscow group of Communists, led by Mr Taisto Sinisalo, and also of elements in the business community who were doing well out of Finnish-Soviet trade. To lessen the possibility of a deadlock, the electoral college was enlarged by one seat, so that in case of a run-off between the two leading candidates on a second ballot, the 301 electors would not be evenly divided. It was perhaps remembered that, when Kekkonen was first elected in 1956, he had a majority of only two over his Social Democrat rival in a college of 300 members. In fact, the Soviet Union, whilst showing obvious interest in the outcome, behaved correctly, and when Koivisto emerged on 17/18 January as the obvious winner, with 43 per cent of the popular vote, Moscow radio welcomed the result as a clear rebuke to the bourgeois parties. Koivisto's victory, a week later in the electoral college was ensured when the People's Democratic League (SKDL) candidate, Kalevi Kivistö, who received 11 per cent of the popular vote, promised his support.

The SKDL is an electoral grouping, formed in 1945 to enable the Communist Party to return to the open political arena after almost two decades of proscription. It has within it a group of left-wing Socialists and two Communist Party factions. The split in the Communist Party began in the late 1960s, following the Warsaw Pact intervention in Czechoslovakia. The chairman of the SKDL at that time, the Socialist Ele Alenius, now a director of the Bank of Finland, was bitterly attacked for criticizing Soviet policy, and has since been a regular target for denunciation in *Pravda*. The majority group, led by the veteran party leader Aarne Saarinen, has a Eurocommunist tendency, and is prepared to share office in coalition governments with non-Socialist parties. The minority group, led by an ex-docker from Kotka, Taisto Sinisalo, is more pro-Soviet and takes an uncompromising stand on co-operation with the bourgeois parties. The 'Taistoists', who run their own newspaper, expend a great deal of energy on attacking Saarinen and the non-Communist members of SKDL. In the general election of 1979, Sinisalo lost his seat to a left-wing Socialist and SKDL membership in the *Eduskunta* slumped from 40 to 35 seats. Sinisalo still remains a power behind the scenes, and keeps in regular contact with Moscow. The fact that the Communists have not formally split apart is thought to be due to pressure from the Soviet Party, which may share the minority factions' hope that the Taistoists may eventually capture the leadership. At present, the SKDL parliamentary group comprises 20 Saarinen supporters, 11 Taistoists and 4 non-Communists. Kalevi Kivistö, the non-Communist SKDL chairman, was chosen as the presidential nominee after manœuvres of Byzantine complexity within the various elements which make up this unique electoral alliance. At first, the Taistoists proposed one of their own members, but when she appeared to be a forlorn hope, they switched their support to Saarinen in an attempt to defeat Kivistö. When this ploy failed, they then began to drum up support for the defeated Centre Party nominee, Ahti Karjalainen. Whatever may have transpired 'below stairs' between the Taistoists and the Soviet Party, the official Soviet line was one of diplomatic rectitude. The realists in the Kremlin clearly saw no threat to their vital interests in the election of the popular Koivisto, despite his Social Democrat antecedents, and were not prepared to embark on a futile adventurism which might threaten the harmonious and mutually advan-

tageous relations with Finland which ensure stability on their far north-west frontier.

**Moscow and the Social Democrats**

Koivisto's election confounded another myth about Soviet-Finnish relations—that Moscow would never tolerate a Social Democrat as President. This goes back to the immediate post-war period, when the Social Democrats were seen as the party of Vainö Tanner, who was Foreign Minister during the Winter War of 1939–40, and was regarded as implacably anti-Soviet. Tanner was imprisoned as a 'war responsible' from 1946 to 1949, but in 1957 he was elected party chairman. The Social Democrat Party shed its Tannerite image in the 1960s and swung decisively behind the Kekkonen line in the presidential election of 1968. Koivisto was one of the rising young party members who helped to bring about this change, although he had previously supported the Tanner line. Since then, coalitions of Social Democrats, SKDL and the Centre Party, usually with Social Democrat prime ministers, have formed the majority of Finnish governments. Koivisto led two of these administrations (1968–70 and 1979–81), the second ending with his assumption of the post of Acting President when Kekkonen stood down last autumn.

Koivisto's 43 per cent of the popular vote was almost double that attained by the Social Democrats in the 1979 general election, which indicates that he has a personal following far in excess of his party's popularity. Many Finns obviously crossed party lines, although large shifts in party allegiance are rare. Although he has always been a steady and reliable middle-of-the-road Social Democrat, Koivisto has held a number of posts which have placed him above the day-to-day horse-trading of Finnish party politics, and he is clearly regarded by many Finns as a non-party national figure, as he must be if he is to be a successful President. Since 1968, he has been Governor of the Bank of Finland.[8] In this powerful position, he has had a great influence on economic policy, and is given credit for the healthy state of the Finnish economy when compared with those of most other European countries. His critics have often accused him of indecisiveness, but the record hardly shows this. He is reflective and unflappable, but capable of decisive action when he has thought through its implications. His refusal to yield to government pressure over the devaluation of the markka whilst Governor of the Bank in the early 1970s, or in his quiet defiance of President Kekkonen during the Cabinet crisis over financial policy in the spring of 1981, indicate a man who knows his own mind.

This author recalls an afternoon spent in his office during the height of the latter affair. He sat behind an uncluttered desk, totally at ease, discussing in an open and unhurried manner, as though in a university common room, a wide range of topics, from the nuclear arms race to the military history of the Winter War, and even his experiences in an English student farm camp. Outside his office, the news-

[8] Nominations to the Board of Directors of the Bank are, like most high offices in Finland, quasi-political appointments. When Koivisto took leave to serve as Prime Minister, his Centre Party rival, Ahti Karjalainen, became Acting Governor.

papers on sale in Senaatintori bore headlines announcing that the President had asked for his resignation, and that a government crisis was about to break. Koivisto quietly let it be known that the *Eduskunta* and not the President would decide, the crisis evaporated and he remained in office until he became Acting President several months later.

The coalition of the three major parties, with the support of some of the smaller groups, is likely to form the basis for future governments at least during the first half of President Koivisto's term of six years. The results of the 1979 election give it 133 seats in the 200-member *Eduskunta*. It seems likely that the conservative National Coalition Party, despite electoral gains in 1979 which gave it 47 seats, will continue to be excluded from a share in government. The President's decision to ask Kalevi Sorsa, Chairman of the Social Democrats and a former Prime Minister, to head the new government will reduce the influence of the Centre Party. It was thought that Karjalainen, smarting from his own party's rejection of him as presidential candidate, would not be willing to serve—although another Centre Party Premier was a strong possibility. If, however, Koivisto wins a second term—and at 58 years he is only two years older than Kekkonen was when first elected—he will be in office when the YYA Treaty comes up for renewal. Whether a need arises for any change in this arrangement will depend partly on the world situation and the attitude of the Soviet Union's new leaders when the present gerontocracy, already depleted by the loss of Suslov, leaves the stage.

Although geopolitical necessity places the issue of Finnish-Soviet relations at the head of the foreign policy agenda, they form the basis for a complex and delicate balance of relationships with the Scandinavian neighbours, with Finland's trading partners in Efta and the EEC, and with the wider world community. Finland's economic success, which is vital to the maintenance of its political stability, depends on its fruitful trading relations with both the Soviet Union and with the members of the West European trading groups. Koivisto's record in economic management shows that he understands the importance of these relationships.

In 1981, 24 per cent of Finland's foreign trade was with the Soviet Union, and the proportion is likely to increase in 1982 following a new trade agreement signed on 1 December 1981. Finland receives two-thirds of its oil imports from the Soviet Union, and, as the price of oil has risen, Soviet imports of industrial goods have increased in order to maintain the trade balance. The strength of Finnish-Soviet trade has been an important factor in holding down the level of unemployment which, at 5 per cent of the labour force, is amongst the lowest in the OECD countries. In his end of year statement as Acting Governor of the Bank of Finland, Mr Karjalainen noted that the rate of inflation was falling, the exchange rate of the markka was stable, and a modest growth in production would continue in 1982. 'Economic growth was principally sustained by Finland's exports to the socialist countries, which grew about one-third in volume terms,' he said.[9]

In the recent election, the Soviet leadership played a correct role by refusing to

[9] Statement by Dr Ahti Karjalainen, *Bank of Finland Monthly Bulletin*, Vol. 56, No. 1, January 1982, p. 1.

express a preference for one or other of the candidates during the campaign, and welcoming the newly elected President as a man who will continue on the path laid down by Paasikivi and Kekkonen to the mutual benefit of the two countries.

Koivisto will be less autocratic than Kekkonen in his use of presidential prerogatives, and this will lead to a greater role for the parliamentary machinery. As there is no serious dissent on major foreign policy issues, and as the Soviet Union appears to be as happy as are the Finns at the outcome of this election, it is likely that domestic political and economic issues will become more prominent. The smooth transfer of power and the lack of any major problems suggest that Koivisto's honeymoon period will be long and uneventful.

# The Reagan Administration and the Philippines

WILLIAM J. BURNS

DESPITE being overshadowed by recent developments in Central America and the Middle East, current American policy towards the Marcos regime in the Philippines looms as one of the more important tests of the Reagan Administration's belief that firm support for friendly authoritarian regimes is essential to the protection of US interests in the developing world. The United States has a substantial military, economic and historical stake in the Philippines. Clark Air Force Base and Subic Bay Naval Base are considered by many American strategists to be vital to American security interests in East Asia, both as symbols of American resolve in the post-Vietnam War era and as staging areas for military operations in the Pacific and Indian Oceans. At the same time, American foreign investment in the Philippines totals more than one billion dollars, and the Philippines remains a leading American trading partner. The Philippines has also had an intimate historical relationship with the United States, unrivalled by any other Asian country, having served as America's most important imperial outpost in the early part of this century, and then as a showcase for American-style democracy and as a reliable ally after it achieved independence in 1946.[1]

The Reagan Administration came to power convinced that the Marcos regime, like many other authoritarian regimes in the Third World, deserved better treatment than it had received at the hands of Jimmy Carter. President Reagan and his chief aides considered Carter's public condemnation of the repressive practices of the Marcos regime to have been naïve and counter-productive, and regarded the Carter view of the long-term likelihood of political instability in the Philippines as the sort of self-fulfilling prophecy that, they alleged, had contributed to the collapse of the Somoza regime in Nicaragua and the fall of the Shah in Iran. When Marcos formally ended eight years of martial law on the eve of Reagan's inauguration and then won a controversial victory in the June 1981 Presidential election—which was boycotted by all of his principal political opponents—the Reagan Administration swiftly offered a ringing endorsement of Marcos's rule. In a much-publicized toast at President Marcos's inauguration in Manila on 30 June, Vice-President Bush stated enthusiastically that 'we love your adherence to demo-

[1] For an introduction to the history of US–Philippine relations, see Claude Buss, *The United States and the Philippines* (Washington, D.C.: American Enterprise Institute for Public Policy Research, 1977); and chapters 8 and 19 in James C. Thomson, Jr, Peter W. Stanley and John Curtis Perry, *Sentimental Imperialists: the American Experience in East Asia* (New York: Harper and Row, 1981).

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cratic principles and to the democratic process, and we will not leave you in isolaiton.'[8] The strength of the Reagan Administration's commitment to the Marcos regime seems clear; what remains to be seen is whether that commitment will add stability to Philippine political life, encourage a restoration of democracy, and safeguard American interests and values in the long run, or whether it will accelerate the polarization of political attitudes in the Philippines and eventually leave the United States sharing the isolation of Marcos in the face of mounting leftist opposition.

**The Philippines under Marcos**

The Philippines today is a country in which appearances are often deceiving. Behind a carefully constructed façade of constitutional democracy, there remains an authoritarian regime which has abandoned few of the powers that it enjoyed during the martial law era. Behind an appearance of economic well-being fostered by an impressive record of national economic growth, an ambitious public works construction programme and the competence and energy of Philippine technocrats, there lurk a foreign debt of more than $14 billion, a 30 per cent inflation rate, a large and steadily widening gap between rich and poor, and indisputable evidence of massive official corruption. And behind an appearance of political stability that President Marcos has taken great pains to promote, there exist signs of growing discontent with his dictatorial rule.

Popular dissatisfaction with the Marcos regime is rooted in its perceived failure to fulfil the expectations which it created in the early 1970s. When Marcos declared martial law in the autumn of 1972 after having been twice elected to the Presidency, he promised to build a 'New Society', free from political violence and corruption, and based upon substantial improvements in the standards of living of all Filipinos. Promises of political stability, eventual restoration of constitutional government and economic and social progress were the currency with which Marcos bought the passive acquiescence of the vast majority of Filipinos to the suspension of the democratic process and the institution of one-man rule; after nine years, that currency has been devalued by Marcos's abuse of his dictatorial powers, his involvement in high-level graft and the worsening plight of poor Filipinos in the countryside and in the cities. To his credit, Marcos has succeeded in disarming most of the private political armies that have in the past turned many local elections in the Philippines into bloody affairs, in sacking a number of corrupt and incompetent bureaucrats, in streamlining the national tax system, in slowing the rate of national population growth, in promoting land reforms in major rice- and corn-growing areas, and in boosting the growth rate of Philippine exports. But these successes pale beside the relentlessness with which the Marcos regime has repressed domestic dissent, the greediness with which Marcos and his cronies have built up private fortunes, and the consistency with which the regime has failed to narrow the gap between rich and poor. In a meticulously documented indictment of the repressive practices of the martial law regime, Amnesty International reported in 1976 that it had 'found convincing evidence that the employ-

[8] Quoted in *Time*, 13 July 1981, p. 23.

ment of torture [by the government] was widespread'.[3] In testimony before an American Congressional subcommittee in 1980, one expert estimated that at least 60,000 Filipino dissidents had been arrested during the martial law era.[4] Coupled with this pattern of persistent violations of human rights is growing evidence that President Marcos, his glamorous wife, Imelda, and many of their wealthy friends have been enriching themselves at public expense. An anonymous study of allegations of official corruption prepared by a group of Philippine businessmen concludes: 'Mr Marcos' "new society" is far from a reformed society. It is the epitome of all the corruption and graft of the pre-martial law days. The only difference is that the graft and corruption we are presently experiencing is more centralized and therefore more efficient.'[5] High-level corruption is made all the more offensive by the fact that it has occurred at a time when the purchasing power of most Filipinos is declining steadily, and when the gap between rich and poor, according to the World Bank, is 'worse in the Philippines than elsewhere in the Southeast Asian region, and is exceeded only in Latin America.'[6] Not surprisingly, repressive government, official corruption and economic injustice have swollen the ranks of President Marcos's domestic opponents.

These opponents are divided into several fairly distinct groups. Most prominent is the United Democratic Opposition, a loose collection of Philippine politicians that include the former President, Diosdado Macapagal, the former Senators, Benigno Aquino, Jr, Salvador Laurel and Gerardo Roxas, and the former Speaker of the House of Representatives, Jose Laurel, Jr. Many of the members of the United Democratic Opposition have been imprisoned by the Marcos regime at one time or another, and several are currently living in exile in the United States. Most of the political figures associated with the United Democratic Opposition favour a strong US–Philippine alliance, and are sympathetic to the American interest in retaining some form of access to military bases in the Philippines. Convinced that Marcos would tamper with the balloting in the June 1981 Presidential election (he did, after all, send out invitations to his inauguration a month before the election), the United Democratic Opposition boycotted the contest, leaving Marcos with a tainted landslide victory over a motley collection of opponents that included a woman tramp who sleeps rough in doorways.[7]

The United Democratic Opposition's calls for restoration of constitutional democracy and for economic and social reform have been echoed by the Philippine Catholic Church, a powerful force in the only predominantly Catholic country in Asia (83 per cent of the population, including President Marcos, is Catholic). The Catholic Primate in the Philippines, Jaime Cardinal Sin, has publicly and repeatedly denounced the Marcos regime for its repression of political dissenters and for

[3] *Report of Amnesty International Mission to the Republic of the Philippines*, second edition (London: Amnesty International Publications, March 1977).

[4] See prepared statement of Harris L. Wofford, Jr, President, International League for Human Rights, in *Hearings Before the Subcommittee on Asian and Pacific Affairs and International Organizations*, House Committee on Foreign Affairs, 4, 6 and 7 February 1980 (Washington, D.C.: Government Printing Office, 1980), pp. 40–3.

[5] *The Guardian*, 2 July 1981.

[6] Eduardo Lachica, *The Asian Wall Street Journal*, 16 January 1981.

[7] *The Guardian*, 17 June 1981.

its apparent indifference to the plight of the poor—criticisms which Pope John Paul II subtly echoed during his February 1981 visit to the Philippines. Alarmed by the growing radicalization of Catholic priests and nuns working in the countryside, Cardinal Sin has voiced concern that Marcos's continued manipulation of the democratic process is slowly eroding popular support for non-violent reform of the present political system, and is gradually bolstering popular sympathy for advocates of violent change.[8]

Chief among these proponents of armed revolt is the Communist New People's Army (NPA), a descendant of the Hukbalahap guerrilla army that fought the central government in the late 1940s and early 1950s. Committed to the overthrow of the Marcos regime, the institution of a systematic land reform programme, the dismantling of US military bases and the nationalization of all US-owned corporations in the Philippines, the NPA has a total armed strength of about 5,000 guerrillas. Hampered by its small size, by a lack of foreign financial support and by the difficulty of mounting a co-ordinated revolution in an archipelago made up of 7,100 islands, the NPA has none the less exhibited growing strength in the countryside, particularly on the southern island of Mindanao. In recent years, the task of suppressing NPA activities on Mindanao has been complicated by *de facto* co-operation between Communist forces and the Moro National Liberation Front (MNLF), a Moslem secessionist group which has long been a thorn in the side of the Marcos government. While it is clear that the NPA will not pose a serious threat to the Marcos regime until it can establish itself in the densely populated rice-growing regions of central Luzon and in Manila, government officials concede that popular backing for the NPA is likely to increase if economic conditions in rural areas continue to deteriorate.[9]

Equipped with the solid support of the Philippine armed forces and with an astute sense of the extent to which the majority of the Philippine public will tolerate authoritarian rule and official corruption, President Marcos does not seem to be in any immediate danger of losing his grip on power. But if Marcos continues to rely on the appearance of constitutional government and on the appearance of economic progress for the poor at a time when the realities of dictatorial control and economic inequity are becoming ever clearer, there is a danger that the appearance of political stability that he has been able to project for nearly a decade will disintegrate. Unless Marcos makes far more substantial progress than he has in the past in the direction of the New Society that he promised in 1972, there is a very good chance that he—or his handpicked successor—will find that many of his moderate opponents have joined the ranks of the extremists who seek a violent restructuring of Philippine society. Since Marcos is 64 years old, rumoured to be in poor health and unlikely to be succeeded by an autocrat with his command of Philippine politics or his appeal among the armed forces and the wealthier classes, the danger that continued political polarization will lead to a broad-based popular revolt or to civil war is not likely to recede in the near future. This is a prospect that

[8] *The Washington Post*, 22 and 24 November 1981.

[9] See *The Washington Post*, 23 November 1981; and Carl H. Landé, 'Philippine prospects after martial law', *Foreign Affairs*, Summer 1981, pp. 1153–4.

deeply disturbs many Filipinos, and one that should have a sobering effect upon the present American government, which is closely associated in the minds of many Filipinos with the Marcos regime.

### The Reagan approach

Since few Third World governments pay more than lip-service to constitutional democracy, it is inevitable that the American government, with its far-flung strategic interests, should sometimes enter into close relationships with autocrats whose styles of rule are offensive to American values. The task of balancing interests and values is an enormously difficult one for American policy-makers, and different Administrations often have different views on the degree to which certain Third World regimes deserve American support. In the case of the Philippines, the Carter Administration concluded soon after it took office that it would be wise to put some distance between itself and the Marcos regime. Subsequent American policy towards the Marcos government reflected President Carter's outspoken commitment to the defence of basic human rights, and the Carter Administration's suspicion that continued close identification of US interests with those of President Marcos in the face of mounting Filipino dissatisfaction with his rule would eventually create widespread anti-American sentiment in the Philippines. Although the Carter Administration was careful to safeguard American base rights in the Philippines,[10] it did not hesitate to remonstrate publicly with President Marcos over his harsh treatment of domsetic dissenters. In May 1978, Vice-President Walter Mondale travelled to Manila and upbraided Marcos for his regime's disregard for human rights, a move which did not endear the Carter Administration to the Marcos government, but which was widely praised by Marcos's moderate opponents.[11]

The Reagan Administration's approach to the problem of dealing with the Marcos regime has been markedly different from that of the Carter Administration. When Ronald Reagan sent his Vice-President, George Bush, to Manila in June 1981, Bush studiously avoided human rights issues and spoke glowingly of Marcos's commitment to a strong US–Philippine alliance. On another high-level visit, the Secretary of State, Alexander Haig, congratulated Marcos warmly on his 'wonderful victory' in the 1981 election, and assured the Philippine leader that the United States government intended to 'shore up those who are under threat and danger' in South-East Asia.[12] The encouragement that both Haig and Bush offered to the Marcos regime underlined the Reagan Administration's preoccupation with maintaining an intimate strategic relationship between the United States and the Philippines. Clark Field, the second largest air base in the world, and Subic Bay Naval Base, a huge installation that can dry-dock major fleet units, are judged by President Reagan and his advisers to be vital to the defence of the long logistical

[10] In return for President Carter's pledge of $500 million in military and economic aid, the Marcos government agreed in January 1979 to guarantee American use of Clark Field and Subic Bay Naval Base until 1991, with a review of the terms of the agreement scheduled for 1984. See *The New York Times*, 1 January 1979.

[11] *The New York Times*, 4 May 1978.

[12] *International Herald Tribune*, 19 June 1981.

sea lanes that stretch from the Middle East to Japan, Hawaii and the west coast of the continental United States.

The Reagan Administration's determination to provide close support for President Marcos cannot, however, be explained simply as the product of a Dullesian passion for maintaining networks of military bases in the developing world. At the heart of the Reagan approach to relations with the Marcos regime lie the theoretical prescriptions of American neo-conservatives, among whom the US Ambassador to the United Nations, Jeane Kirkpatrick, is perhaps the most prominent, for dealing with autocratic allies threatened by domestic unrest.[13] According to Kirkpatrick, American efforts to place pressure on friendly tyrants to democratize their societies and accommodate domestic dissidents are far more likely to create conditions ripe for Communist takeovers than they are to achieve lasting democratic reforms or to enhance political stability. Citing the Carter Administration's criticism of the Somoza regime in Nicaragua and the subsequent rise to power of the Sandinistas as an example, Kirkpatrick contends that President Carter lost sight of the overriding danger of Communist totalitarianism in his naïve attempts to champion human rights in the Third World. From the point of view of both American interests and American values, Kirkpatrick argues, Communist totalitarian regimes, which she suggests are characterized chiefly by the extreme brutality with which they seek to transform and control every aspect of their societies, pose a far greater evil than friendly authoritarian regimes, which in her estimation seek less ambitiously and less brutally simply to stay in power, tolerating existing patterns of social and economic injustice but not creating new ones. Ambassador Kirkpatrick does not suggest that the American government should ignore the deplorable human rights records of authoritarian allies, but argues that the United States should be extremely cautious about forcing the pace of political change in developing countries. If democratic reforms are not undertaken in a very gradual and very orderly fashion, Kirkpatrick warns, the traditional tyrants who ally themselves with the United States often lose control of political developments and are quickly replaced by Communist totalitarian regimes.

In practice, Kirkpatrick's concepts translate into unequivocal American backing for autocratic allies, in the hope that such support will help prevent the rise of totalitarian governments and eventually lead to the political stability that is deemed necessary for democratic reform. In the case of the Marcos regime, the Reagan Administration clearly subscribes to Kirkpatrick's belief that friendly authoritarian rulers deserve solid support from the United States, since they are usually the only acceptable alternatives to hostile totalitarian regimes. Transfixed by a fear that any weakening of the Marcos government would cause Philippine political life to unravel and would eventually lead to the emergence of an unfriendly Communist regime, the Reagan Administration has evidently decided that it can best protect American interests and American values in the Philippines by maintaining a close relationship with President Marcos.

[13] See Jeane Kirkpatrick, 'Dictatorships and double standards', *Commentary*, November 1979. For a lucid critique of Kirkpatrick's *Commentary* article, see Michael Walzer, 'Totalitarianism and authoritarianism', *New Republic*, 4 and 11 July 1981.

## Pitfalls ahead

Although the Reagan approach to relations with the Marcos government can be most easily criticized because it tacitly accepts repressive practices which are inimical to American values, it is also vulnerable to criticism on the ground that it misreads the domestic political situation in the Philippines and jeopardizes long-run American interests. Moderate Philippine opposition leaders, like the former Senators Benigno Aquino and Gerardo Roxas, argue persuasively that wholehearted American support for the Marcos regime diminishes Marcos's interest in reform, undercuts the political position of the pro-American United Democratic Opposition, and lends credence to leftist charges that the US government is interested only in maintaining the Philippines as a neo-colonial outpost, not in the social and economic welfare of the Philippine people. Aquino and Roxas do not dispute the claim that a Communist totalitarian regime might eventually seize power in the Philippines if the Marcos government faltered, but they maintain that this possibility is made more likely, not less likely, by American policies which back Marcos uncritically and contribute to a polarization of political attitudes in the Philippines.[14] Marcos's liberal opponents point out that the Philippines, with its long post-war tradition of democratic government, is not typical of Third World countries, and they contend that there is currently no reason to believe that the dismantling of Marcos's authoritarian regime would lead inevitably to the emergence of a Communist totalitarian government. The members of the United Democratic Opposition and the Catholic Church hierarchy in the Philippines fear, however, that leadership of the opposition movement is rapidly slipping into the hands of the New People's Army and its supporters, and warn that the Reagan Administration may soon find itself cut off from the mainstream of Philippine political opinion, facing a populace that is increasingly hostile to Marcos and his American backers.

Faced with abundant evidence of the venality and corruption of the Marcos regime, the inequities of Philippine economic life and the growth of popular support for leftist rebels, only the most determined ideologues in the Reagan Administration can be optimistic about the chances that a strong American commitment to Marcos will safeguard American values and promote US interests in the Philippines. Admittedly, the alternative to the current Reagan approach to relations with the Marcos government is a more ambiguous policy that has not proved to be enormously popular among American policy-makers accustomed to identifying US interests in the developing world with sympathetic, anti-Communist autocrats like Anastasio Somoza, the Shah of Iran and Anwar Sadat. But, as is often the case in the making of American foreign policy, the most prudent course of action is not necessarily the simplest to implement or the most appealing ideologically. The surest way for the Reagan Administration to avoid the pitfalls that lie ahead in US–Philippine relations would be to keep a healthy political distance between itself and the Marcos regime. Specifically, such a policy would imply refraining from any endorsement of the results of the undemocratic 1981 Philippine Presi-

[14] See *The Washington Post*, 22 November 1981; and Stanley Karnow, 'The danger of backing the wrong horse', *International Herald Tribune*, 25 September 1981.

dential election, ensuring that US economic aid is concentrated on rural development schemes that directly benefit the Philippine poor, rather than on the grandiose infrastructure projects that the Marcos family favours, placing both public and private pressure on President Marcos to restore genuine democracy to the Philippines, and laying constant emphasis on the fact that US policy towards the Philippines aims primarily to build an enduring relationship with the Philippine people, not with any one Philippine regime. It is not clear that such measures would immunize the American government against the dangers of political instability in the Philippines, but it is difficult to avoid the conclusion that they would represent a substantial improvement upon current American policy towards the Philippines. Publicly embracing the Marcos regime after the fashion of Vice-President Bush in June 1981 not only offends American values, it diminishes the stature of the United States among the Philippine people and endangers long-run American interests.

# Nigeria: a mid-term assessment

STEPHEN WRIGHT

NIGERIA, the most prosperous and populous country in black Africa, returned to civilian rule in October 1979 after 13 years of military government. With a chequered history of bitter ethnic rivalry, civil war and military coups d'état, Nigeria has been watched closely as it attempts to make a success of its Second Republic. The fact that it is the United States' largest oil supplier outside the Middle East (second in total only to Saudi Arabia) and one of Britain's most lucrative export markets illuminates the importance of Nigeria in the international system. It is from this basis that Nigeria has emerged as the leading voice, the 'champion', of Africa.

This article analyses some of the major events in the country's domestic politics since 1979 to see how the new political structure has stood up to the demands made on it. It also assesses current economic and foreign policies under President Shehu Shagari's administration, and concludes by sketching in the prospects over the next 18 months to the elections of 1983.

## The domestic arena

The reappearance of the political leaders of the 1960s in the race for government in 1979 made many feel that history was repeating itself. To some extent it was, in that the election results displayed clear signs of ethnic bias, but there were and are as many differences as similarities between the two Republics. A crucial defect of the 1960s had been that powerful regional governments dominated the central government, but this has been reversed by the break-up of the regions into 19 states over which the federal government, through its control of oil revenue, has undisputed authority. These states have, however, gravitated towards one another where the same party holds office—such as the UPN states in the old West and Mid-West, the NPN in the North, and the NPP in the East[1]—and so the old regions and ethnic groupings have been implicitly reconstituted. Such a development is unavoidable, but has not become as damaging a force as in the 1960s.

Party political considerations continue to determine political life in the country despite the introduction of a new Presidential system of government. The President has a Cabinet of federal character, a euphemism for ethnic balance, but one still dominated by members of the ruling NPN. In the National Assembly, the NPN does not possess an absolute majority and this fact has forced it to seek allies. An initial accord with the Ibo-based NPP led to a 55-per-cent control of both federal

[1] Parties are virtually always referred to by their initials: UPN (Unity Party of Nigeria), GNPP (Great Nigeria People's Party), NPP (Nigeria People's Party), NPN (National Party of Nigeria), PRP (People's Redemption Party). For background, see Stephen Wright, 'Towards civilian rule in Nigeria', *The World Today*, March 1979, pp. 114–15.

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Houses, but this was always a shaky partnership and one open to criticism from both parties. Its demise in July 1981 came as no surprise and served to increase the already fluid nature of domestic politics, leaving the NPN again without an overall majority.

The federal government has faced some problems in its dealings with states not under NPN control. An opposition alliance of UPN, GNPP and PRP has operated from time to time, and has been most prominent at gubernatorial level with regular meetings of the so-called 'Nine Progressive Governors'. The shift of allegiance by the NPP boosted the nine to 12, with only NPN governors absent. The 12 governors scored what they considered to be a notable success in having the Allocation of Revenue Act 1981, signed into law by President Shagari in February 1981, declared null and void by the Supreme Court. This opposition, however, remains far from united. Furthermore, serious factional strife within the PRP and GNPP has made them lack internal cohesion, while losses from the NPP to the NPN have weakened that party also. The NPN, suffering less internal strain because it holds office, has tried in the last year to capitalize on (and manipulate) the problems of its opponents, but it is difficult to predict what will happen in the coming months.

The most serious and credible opposition to the ruling NPN comes from the Yoruba-based UPN and its leader, Chief Obafemi Awolowo. From the outset in 1979, when Awolowo challenged the constitutionality of Shagari's victory in the courts, the UPN leader has been a relentless critic of the federal government. On occasions, his criticisms have been defensible, such as his desire to abolish private education, or his doubts over Nigeria's ability to use its 'oil weapon' or tackle South Africa militarily. On other occasions, however, he has been petty and vindictive, such as with his decision not to have the President's picture hanging in UPN-controlled government offices, his refusal to liaise with the Presidential Liaison Officers, and his unceasing attacks on the former Chairman of the Federal Electoral Commission, Michael Ani, for his handling (or mishandling) of the 1979 elections. Opposition, of course, must be allowed in a democratic system, but the danger that opposition politics could deteriorate into ethnic politics, as it did in the 1960s, must provide politicians with the necessary cause for restraint.

Despite inevitable problems in the workings of the new political system, the general performance of those involved has been acceptable. Politicians, enjoying the freedom which the system offers, have made legislation pass very slowly through their respective Assemblies, especially when contrasted with the government by decree of the military era. At times, it has been necessary to enforce party discipline to assist the passage of legislation, as well as to minimize so-called disruptive elements in the parties. The removal from office of the Speaker of the Sokoto State House of Assembly and the impeachment of the Deputy Governor of Kano State,[3] both by their own party for alleged anti-party activities, provide examples of this system at work.

The impeachment in mid-1981 of the Kaduna State Governor, Alhaji Balarabe Musa, illuminated another aspect of party politics. The separation of powers and the wisdom of the electorate brought to power in Kaduna a PRP Governor and a

[3] *New Nigerian* (Kaduna), 27 October 1981 and 11 November 1981 respectively.

hostile NPN-dominated Assembly. The Assembly prevented Musa from governing for almost two years by using what was effectively an NPN veto, but it was forced to resort to the legitimate channel of impeachment before Musa could be removed from office.[3] Musa's position was very weak in any case because of his uncompromising attitude towards the NPN, the fact that he had been expelled from his own party, and his actions outside the law in an attempt to govern. The acceptance of the new Governor's list of Commissioners late in November 1981—the fifth attempt at forming a government since 1979—showed that some form of compromise was possible between the different arms of government. However, in January 1982 NPN threats to impeach the new Governor and his Deputy emerged, showing that the problem had not been solved in any way.

It is, perhaps, because of the popular determination to make the political system work that politicians have come under such fierce criticism and scrutiny. Barely a week passes without a scathing article in the press about the performance of a particular group of politicians. The press has been particularly keen to publicize charges of corruption. For instance, in 1981 the press charged that 90 per cent of National Assembly legislators were claiming salaries for fictitious employees; further major unease was caused by reports that the politicians had voted themselves an extra allowance of N50,000[4] each, mainly for the refurbishing of their apartments. When the National Assembly stated that it would not move to Abuja in late 1982 because its members would 'suffer' in the inadequate conditions, the *New Nigerian*, in a biting editorial on 2 October 1981, said that 'what they would suffer is merely the loss of their luxurious lifestyle in Lagos and not anywhere near the kind of deprivations most Nigerians they claim to serve suffer from.'

Despite the outspokenness of the press, there has been no serious threat to its freedom—as yet. Legislators have at times accused the press of going beyond its function, but generally its freedom has been preserved. Even the major national dailies, the *New Nigerian* and *Daily Times*, which are nominally under the control of the federal government, have not been afraid to challenge the government on specific issues. A lesson was administered, however, by the government in August 1981 when two editors of the pro-UPN *Nigerian Tribune* were arrested for writing that the President was buying off his opponents in the National Assembly.[5] A further move against the press emerged in November with the Assembly's decision to establish a National Advisory Council to censor reporting during the 1983 elections.[6] Although serious, these cases should not be allowed to mar significantly the generally good record on freedom of the press in the country.

Both the President and the judiciary have worked to detach themselves from the mêlée of day-to-day politics. The President has attempted, with some success, to remain above party politics and has tried to deal fairly with all parties. However, as an NPN President he cannot please everybody, and so perhaps the best judgement to make is that he is as popular as anyone else could be in that position, and

[3] *The Constitution on Trial* (Lagos: *Daily Times*, 1981). The 21 charges against Musa were published in *New Nigerian*, 8 May 1981.

[4] A Naira (N) is roughly equal to £0.80.

[5] *West Africa* (London), 10 August 1981, p. 1845.

[6] *New Nigerian*, 27 November 1981.

more popular than most. He has been well received throughout the country, and this will probably help persuade him to stand for another term of office. If any serious criticism could be raised against him, it is the fact that he has been too quiet and conciliatory in office, and has not dealt harshly enough with his opponents. But this caution should, in the long run, prove to be judicious, because there is little gain to be made in deliberately fanning ethnic sentiment.

The judiciary has proved its independence in and from the political system. It was through the courts that Shagari was given the verdict over Awolowo in the election of 1979. The courts have, however, acted against the federal government in two major test cases. In July 1980, the government deported a Borno State GNPP leader, Alhaji Shugaba Abdulrahman, for allegedly not being a Nigerian. The courts reversed this decision, awarded Shugaba N350,000 in damages, and served an injunction on the federal government to refrain from further action. The second case came, as noted above, in October 1981, when the Supreme Court ruled against the federal government in declaring the Revenue Act invalid. Both these verdicts are important in themselves, but have further symbolic significance in showing the respect for the Constitution in the country.

Despite the comparative success of the 20 civilian governments in the country, as well as the prevailing general calm and stability, latent tensions remain. Over the last year, Kano was the scene of two major riots which were signs of two underlying societal issues—religion and the role of traditional authority. In December 1980, the Maitatsine riots concerned a clash with fanatical Muslims in Kano Old City. The subsequent military siege of the City added to the extensive damage and left a toll of over 4,000 dead.[7] The influence of the fanatics is still feared within the North, and is giving cause for concern among religious leaders. A salient fact to note is the strength of Islam in Nigeria. In 1981, Nigerians constituted the largest single national group of pilgrims to Mecca. Within the country as a whole, the balance between Muslims and non-Muslims is roughly equal, though no reliable figures are (or will be) available. The potential for religious unrest, then, either within Islam or between Muslims and Christians, is an ever-present consideration for political leaders.

The second Kano riot of July 1981 was sparked off by the Governor of Kano, Alhaji Abubakar Rimi, directly challenging the revered traditional ruler, the Emir of Kano, Alhaji Ado Bayero. The PRP Governor's blunt request to the Emir for details concerning traditional rulers to be sent within 48 hours provoked unrest. The riot, however, was very selective—and some claim NPN-orchestrated—in destroying only specific government buildings and houses.[8] Similar unrest, though on a smaller scale, has occurred in some UPN states in the south,[9] and these events highlight the continuing problem of how elected leaders should handle traditional rulers, who remain popular and respected by the vast majority of the population.

A final point to mention in this section concerns the military. It is true to say that despite their disappearance from the political stage in 1979, they remain in

[7] *West Africa*, 23 November 1981, p. 2756.
[8] *Times International* (Lagos), 2 August 1981, pp. 4–5.
[9] *National Concord* (Lagos), 22 October 1981.

the minds of most Nigerians. Political leaders, including the President himself, have called for reconciliation during particular disputes for fear of providing just cause for a military intervention. On balance, there has been little justification for the military to become directly involved in the political arena, though military leaders have been unhappy about the government's handling of the disputes with Cameroon and in Chad. At present at least, a military coup appears to be only a remote possibility in the context of current Nigerian politics.

### The economy

It is ironic that the continent's largest economy for sime time had no budget formula for dividing the national income. The budgets of 1981 and 1982 were based on the Revenue Allocation Act invalidated by the Supreme Court.[10] The judgement was based on a technicality rather than on the Act itself. The Joint Finance Committee of both Houses of the National Assembly had hammered out a compromise Bill which had been sent directly to the President for his assent rather than passing through both Houses in full session as the Constitution demands.

The 1981 Act was based partly on the recommendations of a Commission under the chairmanship of Dr Pius Okigbo, the eighth such commission set up since 1946. The problems concerning revenue allocation, like the census issue, are political ones, because each state naturally wishes to gain the most revenue possible. The formula has to take cognizance of derivation of income, relative need and population. The Okigbo Report virtually ignored derivation as a factor, to the detriment of the oil-producing states, though the final compromise allowed a small amount to be set aside for them. The Act provided for the distribution of total revenue as follows: 58·5 per cent to the federal government, 10 per cent to the local governments, and 31·5 per cent to the states. This budgetary crisis was finally solved in January 1982 when Shagari signed into law a Bill which was virtually the same as the invalidated Act.

The confusion over the allocation of revenue will also hamper the implementation of the Fourth National Development Plan, although real spending is not expected before 1983. The Plan was released in 1981 and, though cautious, provides for spending of N82 billion in the period to 1985.[11] The major areas for investment are education, agriculture and manufacturing, but it is too early to say whether or not the Plan will be achievable. This will depend largely on two factors, the availability of skilled manpower and of cash.

The country's dependence on oil for around 80 per cent of total revenue (90 per cent of total exports) proved problematic in the last year owing to the fluctuations in the oil market. While President Shagari benefited from a very good year in 1980, pushing Nigeria's external cash reserves to over N5,000 million, the first half of 1981 witnessed a dramatic slump in oil production from over 2 million b/d in January to 0·7 m. b/d in July. This shortfall in earnings, combined with high imports, sent shivers through the economy and led to the introduction of austerity

[10] *West Africa*, 12 October 1981, pp. 2369–70.
[11] *Africa Now* (London), April 1981, pp. 83–106.

measures.[12] Though this slump is not as serious as some observers have made out, it does underline the basic weakness of an oil-based economy.

The crisis of 1981 followed on problems of a different sort in the preceding year. The 'Oilgate' scandal of mid-1980 broke over the alleged loss of N2·8 billion of oil revenue. The subsequent tribunal under Mr Ayo Irikife, a Supreme Court judge, found that no such amount was missing, but in the course of its enquiry illuminated several disquietening features of the oil market. Most important of these was the fact that the Nigerian National Petroleum Corporation (NNPC) had no authoritative and independent figures for oil production, but that it relied upon the oil companies to supply these. Public concern over the possibility that the country had been cheated over millions of barrels of oil led to moves to reorganize and tighten up the NNPC.

The weaknesses exposed in the oil sector highlighted the fact that the Nigerian economy remains a dependent one, open to neo-colonial influences from more developed states. The export of primary products—albeit mainly oil—and import of manufactured and industrial goods is a weakness that the present government hopes to tackle, but doubts must remain as to its ability to alter this. The lack of sufficient manpower lies at the heart of the problem, and this is something which will take a long time to solve.

## Foreign policy

There has been increasing unease over the last year at the poor and ineffective record of Nigeria's foreign policy.[13] This weakness could be attributed to several factors. In general economic terms, the country's economic weakness vis-à-vis the West has made it difficult for Nigeria to force the Western countries to alter their policies, especially over South Africa. The current oil glut has meant that the 'oil weapon', so much talked about in the late 1970s, has not been a credible threat. Nigeria, in fact, was highly embarrassed in 1981 when it was forced to break ranks with OPEC and offer discounts for its oil, in order to keep its economy afloat. Another factor has been the attitude of President Reagan and Mrs Margaret Thatcher whose perception of Africa is more in terms of the Cold War rather than as a purely regional issue. This has led them towards closer relations with South Africa, and caused them to rebuff all calls from President Shagari for moves against South Africa and for the independence of Namibia. A final constraint has been the competitive and volatile political situation at home which has made Shagari move with some caution in foreign affairs in order not to provide ammunition for his opponents.

Although Nigeria lacks the overall power to influence Western states, many believe that the country does possess the potential to dominate—or at least assert itself over—its fellow African states. Unfortunately, this has not been apparent over the last year when Nigeria has had several setbacks in its African diplomacy. The Libyan intervention in Chad and the subsequent merger between the countries

[12] *West Africa*, 28 September 1981, pp. 2237–8.

[13] See editorials in *Daily Sketch* (Ibadan), 1 July 1981 and *New Nigerian*, 2 July 1981. Also, see an article by this author, 'Limits of Nigeria's power overseas', *West Africa*, 27 July 1981, pp. 1685–7.

angered the government and led to the closure of the Libyan embassy in Lagos in January 1981. The Nigerian government, however, then vacillated over what further action to take, and in the end did very little. The raising of the Organization of African Unity's peacekeeping force in December 1981 was a partial victory for Nigeria, but the Chad issue is obviously far from settled.

Two further events in 1981 also led to a feeling of insecurity and impotence in the country. A minor crisis occurred in Sokoto State when forces from Benin occupied some villages there, but this dispute was amicably solved. A more serious event took place in May, when Cameroonian troops fired on and killed five Nigerian soldiers in a border incident. This incensed the country and led to the formation of a 'war lobby' in Lagos. Even though the President eventually found a peaceful solution to the dispute, the event severely dinted Nigerian pride.

A major problem with the government's foreign policy is that its caution has been interpreted by many as weakness. Many Nigerians feel that the country should, as the continent's leading power, be able to play a much more forceful role in foreign affairs. Admittedly, within the Economic Community of West African States (ECOWAS), Nigeria stands equal to the other 15 members combined in terms of economic output, military size and population. Such a view, however, requires interpretation. The success of the ECOWAS experiment largely depends upon Nigeria not upsetting its neighbours in an overt display of power. This is especially true with the francophone countries which, as a legacy of colonialism, still maintain a wary eye on their neighbour—and vice versa.[14] In essence, then, there is a paradox in that Nigeria's overwhelming strength appears to be its very weakness.

Within Africa as a whole, the picture is similar—Nigeria could be said to have *status* rather than power. The country does not have the capacity to force states to do things against their will. For example, in 1979 Nigeria had economic relations with 17 African countries, of which six were ECOWAS members. Of this total African trade, some 60 per cent of exports went to just one country, Ghana, while 50 per cent of imports came from two countries, Senegal and Niger. Furthermore, this African trade only amounted to 2 per cent of the country's total volume of trade.[15] Without meaningful trade, and without recourse to military force, how can Nigeria expect to influence Africa?

The failure to produce results in foreign policy led to several developments in the country in 1981. Resentment grew at the influx of ECOWAS citizens, especially Ghanaians, under the freedom of movement policy. Fears that these 'aliens' would occupy the jobs of Nigerians, coupled with the belief that they could be a de-stabilizing force (as the Chadians had been perceived to be in the Maitatsine riots) brought on a policy of repatriation of unemployed, and some employed, aliens. With the slow progress over ECOWAS agreements, national interest came before regional sympathies.

[14] For example, see Bolaji Akinyemi, 'French policy in Africa and the Cameroun issue,' *New Nigerian*, 16 June 1981. See also R. I. Onwuka, 'The ECOWAS Treaty: inching towards implementation', *The World Today*, February 1980.

[15] *IMF Direction of Trade 1980* (Washington).

The inability to break the stalemate over Namibia led to a renewed 'Quit the Commonwealth' campaign. Led by the *New Nigerian*,[16] the campaign gained ground as many felt that Nigeria stood to gain nothing from remaining a member of the colonial relic, and should not consort with members who appeared to be doing their best to preserve the status quo in southern Africa. The continuing intransigence of South Africa led to the emergence of a more serious argument, namely the nuclear one. Though many remain sceptical over the usefulness and practicality of acquiring nuclear weapons, the majority see this increasingly as the only option for Nigeria to take to challenge the aggressiveness of South Africa.[17] The discussion is still in its early stages, and there has been little thought as to the sophistication of weaponry or its location and control. Perhaps in the long term, though, the problem will be one of credibility. With the population of South Africa being approximately 80 per cent non-white, would any Nigerian president risk not only the destruction of his own country but also that of the very people he is supposed to be liberating?

**Prospects to 1983**

From all indications, the country is already preparing itself for the elections in 1983. In such a potentially tight race, much will depend on the record of the federal government over the next 18 months. In the economic sector, the gradual rise in oil production at the end of 1981 provided grounds for optimism, and the government must hope that this trend will continue, otherwise its whole development and financial strategies will be placed in jeopardy.

At the political level, there are three crucial issues which will dominate the period up to the elections. The first concerns the possible realignment of the political parties. The development at the end of 1981 of a 'Stop the NPN' coalition of the four opposition parties showed that attempts were being made to forge a unified opposition party. If this were to succeed, the new party would have a very good chance of winning in 1983. Many are sceptical, though, that the leaders of the parties will be able to reach agreement. The major problem concerns the reconciliation of the UPN's Chief Awolowo and the NPP's Dr Nnamdi Azikiwe. With the need to balance the party ticket between North and South, 'Awo' and 'Zik' are effectively competing with each other for one position. The UPN's total boycott of the first discussions in December 1981 showed that this realignment will not be easy, though a successful meeting of all the groups in January 1982 raised hopes again.[18]

The NPN, while officially showing no concern for the opposition coalition, is also attempting to seek allies. An alliance with Aminu Kano's wing of the PRP has seemed likely for some time, but still hangs in the air. The NPN has also been working to weaken the NPP by using the Vice-President, Dr Alex Ekwueme, an Ibo, in its campaigns. The government, of course, can resort to using the power of

[16] *New Nigerian*, 5 October 1981.

[17] For an account of Nigeria's conventional capacity, see *New Times* (Lagos), January–February 1981.

[18] *Daily Times* (Lagos), 3 December 1981 and *Nigerian Observer* (Benin), 25 January 1982.

patronage to increase its support. An example of this came last October, when President Shagari pardoned the former Head of State, Mr Yakubu Gowon, for his alleged involvement in the assassination of Murtala Muhammed. While seen as a generous act in the country, it was particularly welcome in Gowon's home state of Plateau, where NPN hopes to wrest power from NPP in 1983. Gowon's pardon sparked off protests among Ibos for a similar pardon to be extended to Colonel Chukwuemeka Ojukwu, the former Biafran leader, but this may be an ace up the President's sleeve, to be played nearer to the elections.[19]

The second political issue concerns the new federal capital, Abuja. As the 'Brasilia' of Nigeria, it is expected to cost the country N11 billion by its completion in 1987. The success of this project is essential for the credibility of the NPN government, and at present any business linked to Abuja is given top priority in Lagos. President Shagari made a serious miscalculation in planning to move to Abuja late in 1982, something about which the National Assembly has serious reservations. This move may have to be even more symbolic than was previously anticipated, but a great deal of progress must be made before 1983 in order to offset embarrassing questions.

The final issue is perhaps the most explosive and concerns the creation of new states. To date, up to 100 areas have petitioned the federal government to be allowed to form their own state. In November 1981, President Shagari committed the government to allow for the creation of some states, though the number which would satisfy the rigorous process required to become autonomous is probably fairly small. Although all parties have been involved in drawing up the guidelines for the criteria to be adopted, the federal government will have the decisive voice. It is most unlikely to pass up this opportunity to increase the number of states which would appear to be safely NPN, or conversely, it will not be happy at increasing the votes of its opposition to remove itself from power.[20] How this explosive issue is handled will test the politicians to the limit and will be a vital factor in the elections. However, the NPN, with four years of experience in office and with the power of patronage and purse, must stand as the favourite for 1983.

[19] An NPP delegation went to see Ojukwu in October 1981; *National Concord*, 20 October 1981.

[20] See David Ruddell, 'New states for old', *West Africa*, 21 September 1981, pp. 2161–2.

# *Pinochet's Chile: a controversy*

(Correspondence)

From His Excellency, the Chilean Ambassador in London

Dear Editor,

I refer to the article in *The World Today* of January 1982 written by Mr Alan Angell and entitled 'Pinochet's Chile: back to the nineteenth century?'

In order to put the record straight, allow me to begin by generally assessing some of Mr Angell's inaccuracies and bias and then specifically to refer to different statements made in the article. Practically all the references to written sources are taken not from specialized or scientific publications but from critics of the government. Nevertheless, credit is not given to the fact that in Chile there is the possibility of open dissent. Furthermore, any serious economic analysis will use the same record, statistics and parameters to measure specific variables and economic developments. The author resorts to different figures and statistics according to what he intends to demonstrate.

(i) The article begins by stating that 'the Constitution approved in 1980 will come into force *partially by 1989*' (emphasis added). Instead, it is an indisputable fact that the Constitution was formally and substantially enacted six months after its approval, i.e. 11 March 1981.

(ii) To prove his point that Chile's economic recovery cannot be praised, the author states that it has been achieved by 'an increasing deficit in the trade balance covered by external borrowing at record levels', adding that 'when the deficit on the commercial balance reaches 10 per cent of gross national production, international bankers start to become very concerned. Chile is now near that figure.'

Had Mr Angell looked at other countries, he would have found that in the 1950s the average deficit of South Korea's commercial balance was 9 per cent of GNP, while during the 1960s the average annual deficit reached 10·5 per cent of GNP. During the decade from 1950 to 1960, Singapore showed an annual deficit in its commercial balance of 14 per cent of GNP, which was reduced to 10·4 per cent of GNP between 1960 and 1970 and was back to 13·6 per cent of GNP between 1970 and 1977. Thus, the author's concern about Chile is difficult to understand: its deficit for only one year has not yet reached 10 per cent of GNP and countries like Korea and Singapore have shown economic stability notwithstanding their chronic deficit in their commercial balance.

(iii) To say, as the author does, that Chilean economic growth is 'rather questionable' because it has been 'measured not from the year of the coup, 1973, or from the last year of the Christian Democratic government, 1969, but from 1975, the year of the economic "shock" when a government-induced recession resulted in an enormous 15 per cent decline in GNP', is another example of bias.

To begin with, the World Bank has stated: 'Given the magnitude of the crisis faced and the resource constraints that strapped the system, one views the Chilean situation in 1975 with a profound sense of helplessness. There were perhaps additional measures that might have been taken to shift more resources toward

reduction of the worst suffering, but it is difficult to visualize a major change in the picture without considering more outside assistance than the international community was evidently prepared to offer' (World Bank Report No. 2390, CH Volume I, The Main Report, June 1979, *Chile: An Economy in Transition*).

Furthermore, some figures should be added which the article does not consider in its analysis: between 1971 and 1973 Chile lost US$650 million in international reserves. At the end of 1974, these net reserves were—US$233·6 m. Nothing is said either about the low price of copper—then representing 80 per cent of exports—or about the increase of oil prices on which Chile was dependent approximately by 75 per cent. No figures are shown with regard to international loans, which in 1975 amounted to only US$21·8 m.

After a tight and sound budget control, the balance of payments which in 1974 showed a surplus of US$125 m. in 1975 turned into a deficit of US$118 m.; the current account that showed a US$210 m. deficit in 1974 showed an increased deficit of US$490 m. in 1975. This sum had to be financed with US$21·8 m. of public international loans and US$276 m. of private sector international lending and the rest by the loss of Chile's international reserves which became negative by US$560 m. To state, therefore, that the decline in GNP during 1975 reflected a government-induced recession is, to say the least, inaccurate.

While GNP fell by 12·9 per cent in 1975, it grew by 3·5 per cent in 1976, by 9·9 per cent in 1977, by 8·2 per cent in 1978, by 8·3 per cent in 1979 and by 7·5 per cent in 1980. This last figure doubles Chile's average historic rate of growth.

(iv) When a country reduces its rate of inflation from 1,000 per cent per annum in real terms to an annual rate of only 9·5 per cent as was the case in Chile during 1981, nobody can say—as Mr Angell does—that 'this achievement does not seem so praiseworthy'. I think that even if 'absolute political control' and some 'social costs' were necessary to bring about a similar achievement, many would be quite willing to endure them; but, as anyone who has been in Chile can witness, government subsidies provide a safety net to minimize these 'social costs'.

(v) It would have been very difficult not to praise the fact that in 1980 Chile's foreign reserves amounted to US$4,702 m., considering what has been said before. Nevertheless, the author then recurs to future predictions and writes that events in 1981 have led to a decline of those reserves—although he does not say why they have declined or to what extent they have been reduced—and he further predicts that it will be difficult to sustain a further drain on the foreign exchange reserves. Fortunately, the developments of 1981 will not necessarily mean a decline in our foreign reserves and there is no indication that there will be situations entailing further drains on those reserves.

(vi) Another inaccuracy is to say simply that 'most of the growth has been concentrated in the service sector'. Any impartial analyst of the policies followed in Chile would conclude that, as a result of their application, there has been a complete reallocation of productive resources. Different rates of growth amongst different productive sectors cannot then be interpreted as a fragile basis for the scheme or a lack of growth capacity. Chile's human and natural resources are capable enough, with adequate financing and proper management of the invest-

ment projects, of leading to a rapid and continued growth of national product and, as a consequence, of the living standard of Chile as a whole.

Nobody can ignore the fact that governments are unable to attract external savings if there is not an adequate guarantee of servicing the debt. Chilean foreign debt and the growth of Chile's foreign exchange reserves are sufficient proof of the confidence of the international financing institutions in the country's creditworthiness. It would be difficult, then, to interpret as the author does, the expansion of financial sectors as an indicator of instability and possible decline in economic growth.

In fact, control of inflation, budget discipline, adequate development of a free market and an opening to foreign trade and investment are all elements which will undoubtedly mean faster and continuous growth in national productivity.

Interestingly enough, the World Bank has stated that 'because of past hyperinflation and great shifts in relative factor prices, the old series of national accounts (base year 1965) suffered serious deficiency and some of its data was actually misleading. The new series of national account based on 1977 input–output table and production and price record indexes compiled by the National Planning Office, ODEPLAN, reflects the current economic situation much more accurately'; and it added that 'The new national accounts were constructed using special spot surveys to compensate for deficiencies in the statistical base. ODEPLAN has done an excellent job given the constraints' (World Bank: Latin America and the Caribbean Regional Office, *Economic Memorandum on Chile*, June 1981, page 3).

(vii) The author distorts the facts and shows his bias also when dealing with the social impact of Chilean economic recovery and the social policies implemented in Chile.

There is not a word of reference to the paramount importance that the government attaches to its programme to eradicate extreme poverty in Chile, which has been generally praised as very successful. Instead, the author prefers phrases such as 'the social costs of ideological rigidity' or questions asking 'is such appalling misery and waste of resources ever justified by any ideology?'. Only two paragraphs are devoted to the whole issue of Chile's social programme.

To begin with, two erroneous figures should be corrected: unemployment cannot be measured at 15·6 per cent of the workforce in Santiago, and it is misleading to say that the state spends 17 per cent less on social welfare than it did in 1970. First, the unemployment figure for the Greater Santiago area was 8·1 per cent in 1981 and not 15·6 per cent; moreover, the level of unemployment in Chile as a whole was of 12·1 per cent. Secondly, those figures should not be divorced from those measuring increases in employment. The average increase of the labour force in Chile during 1976–80 was of 2·9 per cent, nearly double the 1·6 per cent annual average increase shown during the 1960s (Banco Central de Chile, *Boletin Mensual* No. 644, Octubre 1981, p. 2516; Ministerio de Hacienda, *Exposición sobre el Estado de la Hacienda Pública*, Julio 1981, p. 74). This has meant that employed workers, which in 1976 were 2·7 million, rose in 1981 to 3·2 million (National Planning Office, ODEPLAN, *Chilean Economic and Social Development 1973–1980*, p. 73).

It was this government that created the unemployment subsidy for blue-collar 'orkers which did not exist before. Family allowance to blue-collar workers was ıised to equal that of white-collar workers. A nutritional programme was ıunched through preparatory state schools, and breakfasts and lunches were iven to children from extreme poverty areas. More resources have been allocated › deal with needy youth. Up to 1980, 33,000 housing subsidies have been granted ) people qualified as extremely poor.

Some additional figures might also be useful to demonstrate the author's in- ɔmplete research. In 1973, US$1,042 m. were spent on social programmes whilst ı 1981 US$1,672 m. were allocated to this effect (both amounts in 1976 US$). rom another point of view, whilst in 1973 only 27·4 per cent of the budget was 'located to social programmes (health, education, housing, social security), this ercentage has been increasing to 54·2 per cent of the 1981 budget.

It is difficult to reconcile the above figures with Mr Angell's previously men- oned assertions or with his statements that 'investment in health and education ave been sharply reduced', or that 'popular welfare has consciously been eglected'. As a matter of fact, there is one indicator which is generally regarded ; the best demonstration of social development in a country: the rate of infant ıortality. In 1973 Chile had a 65·2 per 1,000 mortality rate amongst new borns, ı 1980 the rate had been drastically reduced to 31·9 per 1,000.

'iii) Another of Mr Angell's fallacious statements is that related to imports which, e says, were composed 'mostly of consumption goods intended for the upper asses'. The figures show the contrary. Since 1977 imports of capital goods in- 'eased from US$476·8 m. to US$1,130 m. in 1981. In terms of percentage, this ıeant that from total imports 19·7 per cent corresponded to capital goods, an nount which rose to 23·7 per cent in 1981 (Banco Central de Chile, *Statistical ynthesis of Chile 1976–1980*, p. 22; and *Boletin Mensual* No. 644, Octubre 1981, . 2454).

The same can be said in respect of Mr Angell's assertion that 'the major bene- :iaries of economic policy have been the economic conglomerates'. The figures, ı fact, show that, in real terms, wages were 60 per cent higher in 1980 than they ere in 1973. From another point of view, the functional distribution of income ıows that it has shifted from the capital owner to the worker. During 1973, it :presented 49 per cent of GNP, increasing to 54 per cent in 1980; it will rise even ıore when the new pension fund scheme is taken into account (Banco Central de hile, *Memoria Anual 1980*, p. 63).

x) The problem of devaluation of the pegged value of the peso rate of exchange › the dollar, fixed for already two years at 39 pesos to the dollar, is also criticized ı the article This being a technical and highly sophisticated problem where no- ɔdy can claim absolute certainty, the author should at least have followed his 'iticism by mentioning that people like Professor Milton Friedman or Professor ɔn Hayek, who have recently been in Chile, have openly stated that the said ıeasure is one of the many mechanisms, amongst others, that can be adopted in sound free-market economic model, which if maintained, even during recession :riods, will yield good results. Instead, the author adds that the explanations for

the adoption of this measure are to be found in the political field, and states that it is due to the fact that 35 per cent of the Chilean external debt corresponds to two economic groups which are naturally interested in maintaining the value of the Chilean currency. Obviously, Mr Angell, in his summer research, did not have the time to contact the groups in question. If he had done so, he would have found that the leading advocates of devaluation in Chile are precisely the representatives of these economic groups.

(x) The author's comments on educational, labour and social reforms are of a similar nature. Mr Angell writes that the Church has vigorously pointed out the defects of educational reform; it is, he says, 'ideologically rigid; it favours rich communities over poor; it further divides education into private and state sectors; it hands over power to local élites and government officials while giving the appearance of decentralization and participation.' In lieu of a refutation, I would rather quote the words of the Chilean Primate Cardinal, Msgr Raúl Silva Enríquez—whom the author qualifies as a 'progressive' and 'able diplomatist'. The Cardinal has said: 'We recognize that under this government much has been done for education. [This is so] especially with regard to subsidies to private free education, which have opened a greater possibility of co-operation not only for church institutions but also for many others who are dedicated to teaching which is such an important mission, in order to qualify the individual for his own development' (*Análisis*, October 1981).

The author's criticisms about both the social security and the labour reforms are equally unfounded. The best indicator of the advantages of a system is the choice made by people whilst putting at risk their own money or savings. Since May 1981, workers in Chile can choose—and they have five years to do so—between the state-managed social security system or the new private scheme. Only months after the law was enacted, nearly half the working force had opted for the new system. Facts normally speak louder than words.

What the article says about the maritime and port workers, i.e. that 'they lost their entitlement to work through a dockers' register' is equally misleading. The truth is that these were the only workers in Chile who still maintained a closed shop after the system had been abolished by the new labour legislation. Even worse, that specific closed-shop scheme allowed 'entitled dock workers' to subcontract people to replace them at a percentage of their salary and with no social security benefits whilst not working themselves, thus granting them an intolerable monopolistic privilege. As a result of the new legislation applicable to longshoremen, a working force of over 20,000 people has had access to legitimate free and fair maritime work and pay, increasing on top of that Chile's badly needed port capacity by around 20 per cent.

When referring to the social policies of the government, Cardinal Silva said: 'I think that there are many positive and praiseworthy points about this government, as for example the establishing of nursery schooling for children belonging to the extreme poverty sector, the protection of abandoned youth and also the direct housing subsidy programme. We praise the efforts achieved and support those still to be achieved. We praise the interest taken in the efficiency of assistance

subsidies in that they really reach those who most need them' (*Análisis*, October 1981).

Finally, the author ends with references to 'opposition' and 'repression'. Much is suggested about the violation of human rights and cases are noted vaguely, which tend to give an image of generalized and 'essential' repression. Of course, as already noted above, nothing is said about the fact that nearly all the written sources consulted are of open and free opposition to the government. Nor is there any mention of the referendum held in 1980 or of the national consultation of the Chilean people in early 1978. Not a word of analysis is written to evaluate the need which an allegedly repressive dictatorship could have of enacting a new Constitution; neither is there a comment on the way in which the military government is fulfilling its declared commitment to the gradual return of full democracy in Chile.

Yours faithfully,

(Professor) MIGUEL SCHWEITZER

*Mr Alan Angell comments:*

SINCE I wrote my article on Chile, the following events have occurred (my sources are the *Latin American Political Report* published in London, and the moderate, pro-Christian Democratic weekly *Hoy*, published in Santiago). The three main fruit exporting companies (*Engels y Compañía*, *Pruzzo* and *Frutera Sudamericana*) have gone bankrupt. Domingo Durán, a prominent spokesman of the agricultural sector, has stated that 'agriculture is in a state of collapse'. The major industrialists' association, SOFOFA, reports that industrial sales will have fallen by 5 per cent in the last quarter of 1981, compared with 1980. The latest estimate for the deficit on the current account of the balance of payments is US$4·6 billion. Interest rates have risen, yet again, to 5 per cent *per month* on loans in December, which is a crippling real rate when inflation is low. A major radio and television assembly company, IRT, went bankrupt and has been taken into the state sector. One of the biggest private mines, Cerro Negro, closed in early December. There are massive redundancies in sectors too numerous to list in detail, but amongst them are car assembly plants, the steel industry and the post office. Perhaps the most worrying of all for the government is the decision of the huge American company, Exxon Minerals, to postpone its major copper development project at the *Disputada* mine because of the government's failure to devalue, because of concern over the recession, and perhaps because of fear of political instability. Curiously enough the text of the new mining code has not been published in the *Diario Oficial* and cannot become law until this is done. The failure to publish it represents an intensification of the political struggles inside the government between the *blandos*

and the *duros*. The Minister of Mines responsible for the code, José Piñera, resigned. To start 1982, the country's largest textile company, *Manufact Chilenas de Algodón*, was declared bankrupt on 7 January.

These events reinforce my main argument that the economic model applie Chile is excessively vulnerable to shifts in the international economy, and prov an inadequate basis for stable sustained growth.

Ambassador Schweitzer's reply is an unintentional example of the poli thinking of the government he represents. He writes that my references are ta not from 'specialized or scientific publications but from critics of the gov ment'. It seems, then, that the government regards criticism as unscientific unspecialized by definition. While clearly undemocratic in implication, his p is not even accurate. I mentioned six periodicals as sources for my article. Two very limited circulation monthlies supported by the Church, one has been cl by the government (so much for freedom of speech), one is of moderate Chris Democratic persuasion, and the other two are supporters of the governm Moreover, my article also refers to the pro-government daily, *El Mercurio*. C trary to the Ambassador's supposed knowledge of my movements in Chile, I in fact talk with representatives of the banking sector.

Nor can the Ambassador seriously sustain that the existence of a small nun of limited circulation periodicals proves that freedom of opinion, even if specialized and unscientific', exists in Chile. The important media of commun tion are television, radio and the popular dailies. Does the opposition have access to these? Does freedom of association exist? The answer to both tl questions is no. There was a plebiscite in 1980. Many dictatorships have plebisc and the Soviet Union has elections. However, as the opposition case was not g a fair hearing, and in the absence of an electoral register, and given widesp intimidation, I would prefer to wait until free competitive elections on a pr register are held before stating that we have a reliable guide to the opinion Chileans.

Most of the Ambassador's reply is directed at my analysis of the economy. answered the Ambassador point by point, we would be exhausting the patienc the readers of *The World Today*. Though I will answer the important remai criticisms, perhaps I might refer readers to a couple of sources more access than Chilean official data. Two points in the debate seem to me to be crucial. O the problem of the size of the external debt. Dr Harold Blakemore's valu article in the Bank of London and South America *Review* for November 1 while presenting a more favourable account of the economy than I do, underl the vulnerability of the model to international economic factors. He writes (p. that 'the capacity of the Chilean economy to service what is now one of the hig *per capita* levels of indebtedness in the world must be a matter of concern.' Exa my point. The model depends crucially upon the confidence of the internati banking sector, and that sector has a great deal to be concerned about.

Another major issue is over the causes and consequences of the economic sh of 1975. I would refer the reader to the excellent study by Laurence Whitehea Nuffield College, Oxford, published in R. Thorp and L. Whitehead (eds), *Infla*

*and Stabilisation in Latin America* (London: Macmillan, 1980). Arguing, as I do, that the shock was government induced, he writes that, 'after a year of shock treatment not only was the economy prostrate but the rate of inflation was still running at over 200 per cent' (p. 94).

Let me add a number of brief comments.

(i) The analogy that the Ambassador draws between the Chilean external debt and those of Singapore and South Korea is really very odd. Those economies prospered by encouraging industrial development and above all by promoting the export of manufactured goods; precisely the opposite of the Chilean model with its present exchange rate and tariff policies. The Ambassador should note also a rather crucial difference between long-term capital inflows for investment and short-term loans to the financial sector.

(ii) Chile never reached a rate of inflation of 1,000 per cent in any one year. The highest estimate for 1973 (though I do not know if the Ambassador will accept it as it was prepared by critics of the government) is 605·9 per cent; the government's official figure for 1973 is 508·1 per cent. (I can give sources for every figure but will refrain from doing so. Readers of *The World Today* will have to take them on trust: I will quite happily supply the Ambassador with a list. But the figures on inflation are important as they affect all subsequent calculations about real wages, for example. Readers are therefore invited in this case to refer to R. Cortázar and J. Marshall, 'Indice de Precios al Consumidor', *Estudios Cieplan*, No. 4, 1981, p. 161.)

(iii) Copper prices were rising when the military overthrew Allende in 1973 and continued to do so well into 1974.

(iv) Growth *is* concentrated in the service sector. The Ambassador may approve or not of this, but it is undeniable. His reply omits any discussion of industrial production, for fairly obvious reasons. But his argument is difficult to follow at this point as it contains so many *non sequiturs*. He writes that 'Chile's human and natural resources are capable enough, with adequate financing and proper management of the investment projects, of leading to a rapid and continued growth of the national product.' I could not agree more, but this statement has nothing to do with his previous argument.

(v) I was amazed to read that the government has been 'generally praised' for its programme of eradication of extreme poverty. Unemployment is, and has been, and will be much higher than the average under previous democratic governments. It is indeed at 15·6 per cent if you include, as I clearly stated in my article, those registered in the government's Minimum Employment Programme. Employment grew annually by 2·1 per cent in the decade 1960 to 1970, but only by 0·2 per cent in the period 1974 to 1979. Taking 1970 as 100, real wages fell to 62·9 in 1974 and rose, but only to 89·2 in 1980. Ambassador Schweitzer's figures are derived from inaccurate calculations of the real rise in the rate of inflation. Taking 1970 as the base rate again, average pensions had fallen to 75·9 in 1979 (and of course workers are transferring to the private sector: the state sector provision has been deliberately run down). Housing construction has fallen to 44·2 per cent of its 1970 level in per capita terms; hospital beds to 83·3 per cent in 1978 compared with 1970; and so on.

(vi) The Ambassador points out, quite correctly, that infant mortality has fallen from 65·2 per thousand new births in 1973 to 31·9 per thousand in 1980. What he does not say is that this is the continuation of a long-term trend since 1960 when the figures were a little under double the 1973 rate. These long-term trends obey a variety of demographic changes that are by no means mostly a product of government policy. However, it is quite true that this is one area where the present government has maintained previous programmes. It is a pity, therefore, that the government has not done so generally in the area of health, where taking 1970 as 100, expenditure by the state sector fell to 92 in 1979.
(vii) If, as the Ambassador writes, 23·8 per cent of all imports are capital goods, perhaps he will explain how this detracts from my comment that *most* goods imported are consumption goods.
(viii) The Ambassador quotes growth rates to 1980. I did describe 1977 to 1980 as boom years. However, he does not give the 1981 rate nor the estimates for 1982. The reason is that they would strengthen my argument that the recession is taking effect in Chile and undermining the government's claim to have saved the nation's economy.

The Ambassador generally accuses me of bias. I admit to some. I am biased in favour of representative government, freedom of speech and of assembly, and against authoritarian governments. The Ambassador complains of my vagueness over cases of violation of human rights. There are far too many detailed reports of such violations for me to need to give a list. But if the Ambassador wants a couple of examples, perhaps he will tell us when those two moderate and most certainly anti-Marxist, Christian Democratic politicians, Jaime Castillo and Andrés Zaldívar, will be allowed to return to a country where the only 'crime' they have committed is that of expressing democratic opposition to the government. The Ambassador's claim that Pinochet's Chile is witnessing the gradual return to full democracy is remarkable. Perhaps he can tell us when political parties will be allowed to exist, when free and competitive elections will be held, when universities will stop expelling independent-minded professors and students, when effective habeas corpus will be reintroduced, when trade unions will be able to operate normally, when the television and radio will carry opposition statements, and when the CNI will cease its surveillance and repression?

However, I do not wish to have the last word. Let that go to Professor Milton Friedman, so warmly acknowledged as an authority by the Ambassador. In a recent *Newsweek* article referring to Chile (as reported in the *Latin American Regional Report* of 29 January 1982), he writes that 'The free market policy will not last unless the military government is replaced by a civilian government dedicated to political liberty.'

PRINTED IN ENGLAND BY POPPER & COMPANY LTD, WELWYN GARDEN CITY, HERTFORDSHIRE

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APRIL 1982

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THE WORLD TODAY, *founded in 1945, is issued under the auspices of the Royal Institute of International Affairs and published monthly by the Oxford University Press*

**Annual subscription** *Vol. 38 (1982)*
(post free)
*UK £12*
*US $34*
*Elsewhere £15*

**Single copies**
(post free)
*UK £1.20*
*US $3.40*
*Elsewhere £1.50*


*Orders may be sent to booksellers and newsagents or to the Oxford University Press, Journals Department, Walton Street, Oxford OX2 6DP, UK. Tel. 0865 56767*





ISSN 0043-9134

# THE WORLD TODAY

ROYAL INSTITUTE OF INTERNATIONAL AFFAIRS

EDITOR: LILIANA BRISBY
EDITORIAL SECRETARY: JEAN PELL

**April 1982** **Vol. 38 No. 4**

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Manuscripts and correspondence should be addressed to the Editor, *The World Today*, Royal Institute of International Affairs, Chatham House, 10 St James's Square, London SW1Y 4LE.

# Reagan and Africa

CHRISTOPHER COKER

FOR many Republicans, the coming to power of Ronald Reagan spelt the end of some, if not all of the hopes and illusions about Africa that had been entertained by Carter's inner circle of advisers. No doubt, it is the privilege of the victors to rewrite the policies of the defeated. Before entering office, the transitional team seemed about to do precisely that. Those closest to Reagan himself wanted to provide assistance to Jonas Savimbi's UNITA guerrillas in Angola, to opt out of the Contact Group initiative on Namibia, to establish closer ties with South Africa and to impose restrictions on the foreign aid budget so severe that America's already limited contribution would have been all but emasculated.

Carter had argued that conflict in Africa was in all but a few cases indigenous to the region and could not be laid at the door of the Soviet Union; that unnecessary arms transfers were likely to fuel regional instability, not prevent it; and that without significant aid the continent would rapidly succumb to forces beyond its control, if not its comprehension. Reagan's advisers, including the head of the foreign aid transitional team, considered that Carter's preoccupation with the North–South dialogue had diverted attention from the reality and persistence of the East–West struggle.[1]

Within a few months, however, the new Administration had grown less confident of its own wisdom, and more prepared to consider African problems in their own light. After threatening to boycott the Contact Group negotiations on Namibia, the President refused to meet the head of the South African-sponsored Council of Ministers. While asking Congress to repeal the Clark Amendment prohibiting aid to UNITA, it dissuaded Jonas Savimbi from visiting the United States.

Such confusion was a reflection much less of divided opinion within the Administration than of the long and often sobering process of coming to terms with the limitations of American power, recognizing reality for what it is and not what it would like it to be. Politics and history have conspired to make Reagan's policy less radical, less decisive and less internally consistent than the President himself would have liked. If in the process the United States has lost its way, perhaps the proper conclusion to draw is that it has found anti-Communism an inadequate basis on which to act. Anti-Communist rhetoric has raised a number of questions, none of them as yet answered satisfactorily.

Despite the confusion, however, three broad themes have emerged:

(i) America's view of Africa has moved firmly towards what the Secretary of State, Alexander Haig, has called 'the central strategic phenomenon of the post World War II era—the transformation of Soviet military power.' The Administra-

[1] *New York Times*, 18 January 1981.

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tion still sees Africa as an arena of conflict with the Soviet Union in which victory will go to the side that is prepared to arm its friends and co-opt them to the universal struggle.

(ii) The United States has pursued an aid policy not only counter to the policies of its European allies, but also contrary to the wishes of most African countries. This has been most noticeable in the increasing security content of bilateral projects, with development assistance having very much a secondary claim on resources.

(iii) Although the Administration would still like South Africa to play a role in countering Soviet adventurism, the lack of progress made on the domestic front since the last elections and the projection of South African military power beyond its own frontiers have both made it difficult for America to draw closer to Pretoria. Indeed, Reagan has found constructive engagement more difficult to pursue than Richard Nixon did in 1970.

**East–West equation**

Reagan's inner circle of advisers has always believed that Soviet adventurism, fed by the vaulting expectations of rapidly growing but unstable societies, makes conflict in Africa all but inevitable. Haig has made his own position unequivocally clear:

> In approaching the developing world we do not construct any false dichotomies between North–South and East–West issues, treating the former as economic and the latter as military. Rather we recognize that progress in our relations with many nations of the South is dependent in part on our success in dealing with East–West security problems.[2]

The two countries which seem most at risk are Zaire and the Sudan. The largest country in Africa, the Sudan sits astride the Blue and White Niles, has a coastline on the Red Sea and a common border with Libya and Ethiopia, two countries with close relations with the Soviet Union. Numeiri's pledge to make the Sudan 'a high wall against further Communist encroachment in Africa'[3] has already made it, after neighbouring Egypt, the largest recipient of American aid on the continent. Zaire also fits the description of a typical Reagan client state—lying as it does adjacent to nine countries and providing America with 60 per cent of its cobalt supplies. Without Mobutu at the helm, the Administration has no doubt that the country would degenerate into the chaos that marked its first five years of independence.

Sorting out the various ideological and political considerations in the Administration's policy is no doubt interesting but probably irrelevant. For, whatever his motives, Reagan's intention to rearm several African countries has already raised as many questions as it has answered. In jousting at an imaginary or distant enemy, the Soviet Union, rearmament may well fuel domestic discontent with regimes that have nothing to fear but discontent itself. Numeiri's military government has been the target of countless coup attempts since 1969 as well as of serious food riots a

[2] *ibid.*, 6 September 1981. [3] *Newsweek*, 21 September 1981.

few years ago. In order to curry favour with the United States on which he now depends for his survival, Numeiri fired his entire Cabinet in November, devalued the pound by 12½ per cent and reduced food subsidies quite drastically. The impact of the devaluation on the price of wheat is bound to be significant since most grain is imported. If prices rise substantially, they may well bring the Sudanese people back on to the streets of Khartoum.

The defence of the Sudan is likely to entail quite high costs. It has already brought America into dangerous conflict with Libya. Last July, the Assistant Secretary for African Affairs, Chester Crocker, spoke of Qaddafi's 'diplomacy of subversion in Africa and in the Arab world . . . a diplomacy of unprecedented obstruction to our own interests and objectives.'[4] Since seizing power in 1969, Qaddafi has meddled in the internal affairs of every one of Libya's neighbours when he has not tried to woo them with projects for Arab unity. Numeiri accused him of trying to topple his government as long ago as 1976, a year before Egyptian and Libyan troops clashed on the border, four years before Libyan-trained commandos attacked the southern Tunisian mining town of Gafsa in a raid intended to ignite a national uprising against Habib Bourgiba. The most recent and disturbing Libyan intervention was in Chad, an act which did more than anything else to undermine those in the State Department who had been inclined to dismiss Qaddafi's meddling as erratic and violent but without strategic significance.

From Chad, Libya could threaten the Sudan quite easily. Indeed, among the most persuasive arguments used by Khartoum in requesting more American arms the recent intervention figured prominently. The United States promised F-5s in its military sales package for Fiscal Year 1982 specifically to counter Libyan incursions from Chad, then running at the rate of one or two a day.

Since the Libyans withdrew, of course, the threat has appeared less real. But it is not at all clear that, if the United States had precipitated a conflict with Qaddafi, it could have helped the Sudan defend itself. The US army has had to draw down on its own stocks of M-60 tanks and 155 mm howitzers that Numeiri originally asked for after Sadat's assassination. It also had to advise the government that not only were its own units so short of anti-aircraft guns that it had none to release but also that the air defence system Reagan had promised would take three years to deploy. In the circumstances, the Administration may count itself lucky that a conflict did not break out.

Even if Numeiri survives, Zaire may well be the first country to be 'lost' to the West during Reagan's first term of office. Its armed forces seem quite incapable of defending the country. The ten-man team of military advisers sent out by the Pentagon to Kinshasa in September found incompetence in all ranks, corruption in the highest and a complete loss of morale among the junior officers and NCOs. So pessimistic were they that Mobutu himself visited Washington in December to lobby for more assistance. He had every reason to in the light of France's ambivalent attitude to his own regime. French support can no longer be automatically relied upon. Although President Mitterrand overcame his initial reluctance to

[4] Cited by Claudia Wright, 'Libya and the West: headlong into confrontation?', *International Affairs*, Winter 1981–2, p. 17.

train, equip and command the 31st Zairean Paratroop Brigade, he may think twice before coming to Mobutu's rescue in the event of another invasion of Shaba this year or the next. Even the Belgians, whose support in 1978 was in all respects highly ambiguous, have refused to equip the 21st Infantry Brigade at Kolwezi, despite originally training it for combat.

If Mobutu does get into difficulties, Reagan may be faced with the prospect of committing ground troops in Africa for the first time since the Stanleyville drop (1965). It should not be forgotten that the French were reluctant to intervene in 1978 without an assurance that America would do so if the first stage of the rescue mission failed. Reagan does not seem to have asked himself whether he would be prepared to commit ground troops, most likely the 82nd Airborne Division, in the event of a crisis. Perhaps it may be significant that the 82nd Division was put on alert during Shaba 2 and that only last year it trained with the Sudanese armed forces in the Bright Star exercise in the Middle East.[5]

In view of these unanswered questions, the United States may have been fortunate that in 1981 Soviet influence in Africa was at its lowest ebb for many years. Instead of harping on Soviet successes, the Administration might well ask itself whether there is much to fear from Marxist-Leninist states such as Angola and Ethiopia when their ideological credentials are still not taken seriously in Moscow, when the West continues to provide almost all their foreign aid and investment and when Soviet planners still warn of the dangers of creating socialist institutions too quickly. Despite Reagan's support for UNITA, Gulf Oil accounted for 75 per cent or more of Angola's export earnings, the national airline still flew Boeings, not Illushyins, and Luanda's largest corresponding bank remained Chase Manhattan, not the Narodny Bank. Even Ethiopia tried to mend its fences with the West by agreeing to discuss compensation for the 225 companies nationalized in the wake of the revolution. The amount in question—$200 million is all that it is presently receiving in the form of foreign aid, which means that it is in receipt of less aid *per capita* than any other developing country. Obviously, its Treaty of Friendship with the Soviet Union has brought very little in return. Providing the compensation is paid, the United States might be in a good position to buy back some of the goodwill it forfeited in 1977 by its friendship with Somalia.

## Foreign aid

Whether the United States will use foreign aid effectively is another matter. In a letter to the Chairman of the Senate Foreign Relations Committee in September, Reagan argued for the passage of the Foreign Aid Bill in terms that placed a high premium on meeting the Soviet threat and none at all on assisting countries already in the Soviet 'orbit'.[6] The preliminary 1982 bilateral aid proposals inherited from President Carter were increased on the security side by $900 m.—a shift in emphasis which was reflected in the increase in the Economic Support Fund (ESF) and Foreign Military Sales. The ESF's most important clients have

[5] For the role of US forces in 1978, see Bruce Palmer, *US security interests in Africa south of the Sahara* (American Enterprise Institute Defence Review 2:6, 1978), pp. 39–40.
[6] *The New York Times*, 21 September 1981.

become Somalia and the two strategically important Indian Ocean islands of Mauritius and the Seychelles. Military sales credits, up 178 per cent from 1981, have been extended to Kenya, Sudan and Liberia. Between them, all three countries are scheduled to receive an increase of $120 m. over the next financial year.[7]

Yet, to date, not one of the authorizing and appropriation Bills have been passed for Fiscal Year 1982. For the third consecutive year Congress has had to pass a Continuing Resolution permitting the Agency for International Development (AID) to spend money only at the previous year's level. Thus for all practical purposes AID has been forced to operate on a level of funding originally approved for 1979. Without the passage of the 1982 Appropriation Bill, aid to Africa, far from increasing this year, may in real terms actually decline.

The problem has been compounded by the unfortunate juxtaposition of events. The aid package came before Congress just after an audit on US aid programmes in sub-Saharan Africa had revealed a story of extensive waste. In the first major audit of AID participation in the Sahel Relief Programme, the auditors reported the loss of $2·6 m. in local currency in a grain support project in Upper Volta, $13 m. in an unsuccessful livestock project in Mali and $4·6 m. in a cereal production programme in Senegal, a country once self-sufficient in food which had been reduced by aid programmes into a dependence on imports. In all, the auditors painted a depressing picture of schools devoid of funds for teachers' salaries or textbooks, of hospitals without medicines or trained personnel, of agricultural research institutes that could not afford to finance field trials—all show-case projects so much beloved by corrupt bureaucracies and aid programmers.

Thus, even the countries which *are* considered strategically important and pro-Western may suffer from Congressional inertia. Last March, the Administration made a pledge at a Development Conference in Zimbabwe to provide Salisbury with $225 m. over the next three years—its contribution to the $2 bn package that Mugabe urgently needs if he is to show his more radical supporters that good relations with the West will bring some return. As it happens, the figure of $2 bn is woefully unequal to the challenges facing the government. Half the amount will have to be earmarked to resettle African farmers on 4·6 m. acres of farmland and fund some of the programmes promised in ZANU's election manifesto. Yet, if there are further delays in the passage of legislation, it is doubtful whether the United States will be able to find more than $25 m. a year, and not the $75 m. promised.

As pressure continues to mount for larger budget cuts and greater savings in foreign assistance to obviate any necessity for cuts in defence or social welfare, as demands continue to rise for greater security aid in the Caribbean or Asia (which has already been given a $13 m. increase in food aid as opposed to Africa which has suffered a $50 m. cut), cutbacks in existing appropriations can be expected. The fact that Congress allots funds for the ESF on a country-by-country basis will ensure this is more likely than not. While it is true that only small amounts have been siphoned off to Pakistan and the Caribbean, a continuing resolution for the fourth successive year would severely complicate plans to subsidize military sales

[7] *Africa Index* 4:15, 30 September 1981.

credits and contingency funds in both regions. Africa is therefore almost certain to suffer in the end from the fact that the continent has not been under immediate threat since 1978. Afghanistan, Kampuchea, the Eastern Caribbean, above all Brzezinski's old 'arc of instability' in South-West Asia have already focused attention on other areas of the world and other problems.

### South Africa and southern Africa

It is precisely because the Administration does not wish to get involved in Africa that it has always hoped South Africa would be able to play a role in the defence of Western interests. Last March, five South African intelligence officers visited Washington and later New York where Lt.-Gen. van der Westhuizen, the chief of South African Military Intelligence, met Mrs Jeane Kirkpatrick, the new US Ambassador at the United Nations. Not long afterwards, Chester Crocker began talking of the need to meet South Africa's 'legitimate security concerns and needs' in southern Africa, which in many essential respects did not appear to differ from the West's. Yet, from the beginning, Crocker also made it clear that South Africa would first have to meet two conditions: domestic reform and independence for Namibia.

At first glance, Crocker seemed to be more sympathetic to South Africa than any of his predecessors. During the years that he was in the forefront of public criticism of Carter's policy towards Pretoria, he argued vigorously in support of constructive engagement and against the negative sanctions of an earlier period. He continued to argue that the United States should not be preoccupied with the goal of obtaining full political participation for the blacks but should concern itself much more with the process of getting there. Providing there was some connection between the specific means applied and the ends sought, South Africa might be persuaded to move in the right direction.[8]

Among the policy documents leaked from his office last May, one affords an excellent example of Crocker's thinking. In a paper to Haig, Crocker maintained that South Africa could only take its place as a 'legitimate and important regional actor' if it was prepared to implement 'constructive and extensive' change in its own society. He went on to express the hope that change might be produced by an 'artful combination of gesture and hints', something less, in fact, than the concessions that Nixon had intended making in 1970 when constructive engagement had last been pursued.[9] The fact that very little progress has been made may in part be due to this factor. Instead of offering to relax the arms embargo as Nixon did ten years ago, Crocker has offered, in the first instance, only a return to the normal exchanges of military attachés. Since the expulsion of three American military attachés in 1979 for taking photographs of secret military installations, only one officer has been allowed to serve in the embassy.

It is doubtful whether such limited rewards will ever speed up the pace of political reform in South Africa, always assuming, of course, that rewards would

[8] Chester Crocker, 'South Africa: strategy for change', *Foreign Affairs* 59:2, Winter 1980/1.

[9] For the 1970 attempt at constructive engagement, see Barry Cohen/Mohamed El-Khawas, *The Kissinger study on Southern Africa* (New York: Spokesman Books, 1975).

have any effect anyway. This is particularly true of the repeal of existing restrictions, such as the ban on the export of enriched uranium which Pretoria would probably welcome most of all. But, then, the South Africans might only attribute such concessions to the traditional dislike of Republican administrations for negative sanctions of any kind. This is precisely what happened in 1970. Indeed, the report on constructive engagement which the National Security Council drew up in 1969 warned that 'the relaxation of the US stance . . . could be taken by the whites as a vindication of their policies.'

What the South Africans themselves have in mind emerged very clearly from one of the policy papers leaked in May last year in which they outlined their willingness to provide the United States with unrestricted access to strategic minerals providing the Americans in return recognized that there could be 'no shortcut solutions to the question of the exercise of political power in South Africa'—providing in short they were willing to give the whites a free hand. This is something that no administration, not even a Republican one, can countenance.[10]

Disappointed on the domestic front, the Reagan Administration has not had much better luck in Namibia. Following almost monthly meetings between American diplomats and South African officials, progress on the second stage of the negotiations may well be reached in 1982,[11] but it is beginning to look as if South Africa has no innate interest in regional stability at all, that far from playing a stabilizing role, South Africa sees its best hope in instability.

Last August, South African forces penetrated deep into southern Angola in what was hardly a raid but a full-scale invasion involving armoured cars, fighter bombers and large detachments of troops. The whole exercise ostensibly launched against SWAPO guerrillas yielded 3,000 tons of equipment, 300 vehicles, more than a hundred SAM-7 missiles, launchers still in their crates and ammunition cases stacked 10 feet high. The capture of such extensive supplies clearly made the point that the Angolan army lost much more in the assault than the SWAPO guerrillas, even in terms of casualties, some 60 per cent of the total. The raid also marked the first time that the army of a neighbouring country has tried to stand its ground against South African troops—for even in 1975 most of the clashes in the Angolan civil war involved South African and Cuban forces.

Ever since the Cassinga raid of 1978, Angola has suffered material damage worth millions of dollars. Intermittent warfare has slowly turned the country's southern region into an economic wasteland in which half a million people have been made homeless. The raid last summer added 130,000 more to the total. Angola has become a veritable battlefield in which the Soviet Union and South

[10] One is tempted to add 'particularly a Republican administration'. Many neo-conservatives intensely dislike South Africa. The new chairman of the Senate subcommittee on Africa, Republican Nancy Kassebaum, has written, 'It is . . . ironic that there is more harmony between the 1980 Republican platform and the decision of the Marxist government in Zimbabwe to dismantle a comprehensive system of public housing for blacks and to substitute a system of widespread house ownership . . . than there is with the South African system.' *The Washington Star*, 10 June 1981.

[11] For the Namibia negotiations, see J. E. Spence, 'South Africa: reform versus reaction', *The World Today*, December 1981.

Africa have developed surprisingly similar objectives arising from the expectation of political gains from a continuation and increase in hostilities.

Not surprisingly, the United States has begun to look with alarm at South Africa's attempts to destabilize the region not only through military raids but also political subversion, for Pretoria may well have been behind the armed uprising against Kaunda at Chilanga in October 1980, and the attempt to topple Albert René's government in the Seychelles, and it has never denied allowing the rebels in Lesotho free passage through the Orange Free State. This policy is unlikely to come to an end once Namibia is given its independence.

In recognition of the fact, the United States has begun drawing closer, tentatively to be sure, to Angola—an outcome South Africa can hardly have forseen. Under pressure from his other Contact Group colleagues, Haig agreed to meet the Angolan Foreign Minister, Paul Porge, at the end of September while Chester Crocker, who had refused to meet an Angolan government delegation in New York two months earlier, visited Luanda in November. It is interesting that even after Savimbi's visit to Washington in December the State Department went out of its way to insist that it did not consider UNITA an alternative to the government in power, only a legitimate political force that could not be ignored in any discussion of Angola's future.[18] Even if the Clark amendment is repealed, South Africa is unlikely to gain.

## Conclusion

Reagan's increasingly ambiguous attitude towards South Africa highlights very well the trade-off between ideology and pragmatism that has marked the last six months of American policy. The United States has begun to realize that Africa expects the United States and its allies to respond to the Soviet challenge by resolving some of the problems which have provided the Russians with a pretext for intervening. It has begun to recognize that the Africans remain as hostile as ever to what Kissinger once dismissed as 'the undifferentiated globalism of American policy'—the tendency to attribute every crisis and problem to Soviet interference rather than looking at their indigenous roots. Reagan was fortunate that 1981 proved to be a comparatively peaceful year in which to take these lessons to heart. Whether the general trend of events will allow the Administration too lengthy a gestation period is fast becoming an important question in Africa's future.

[18] *The New York Times*, 13 December 1981

# The Soviet penetration of Libya

RONALD BRUCE ST JOHN

AFTER the Second World War, the Soviet Union sought to expand its control over what is now known as the Socialist People's Libyan Arab Jamahiriya as part of a broader policy of increasing its military presence in the Mediterranean Sea and its political influence throughout the Middle East.[1] Soviet policy in this regard was notably unsuccessful until the advent of the 1 September Revolution led by Muammar Qaddafi. Even then, it is only in recent years that the Soviet-Libyan relationship evolved from a largely commercial one to one having far greater political and military implications.

In the strained milieu of post-war international politics, the victorious allies, rapidly becoming Cold War adversaries, struggled to establish a new balance of power in the Mediterranean. The British and French governments, increasingly buffeted by the opposing currents of Zionism and Arab nationalism, saw Libya as a useful counterweight. The Soviet Union, desirous of expanding its sphere of interest in the Arab world, saw Libya as a springboard. Both sides recognized fully Libya's strategic value as a base for long-range bombers.[2]

At the July 1945 Potsdam Conference, the Soviet Union proposed that it establish a trusteeship over Tripolitania, one of the three Libyan territories. Two months later, at the Council of Foreign Ministers' meeting in London, the Soviet Union repeated its proposal, saying ten years would be adequate to prepare Tripolitania for independence. The Soviet Foreign Minister explained that the USSR desired an outlet on the Mediterranean Sea and demanded such a base in Libya.

Neither France nor Great Britain was prepared to accept the Soviet proposal; and when the Council reconvened in Paris in April 1946, the British government proposed immediate independence for Libya. Because this plan would have eliminated Soviet participation, the Soviet Union countered with a proposal for a collective trusteeship system. When this alternative was rejected, the Russians, alert to a possible Communist victory in the impending Italian general elections, sought to minimize British and French influence in the area by supporting the return of Libya to Italy under trusteeship.

In February 1947, the Big Four Powers signed a Treaty of Peace with Italy. The treaty left the question of the final disposition of Italy's former colonies to the

[1] The Kingdom of Libya became the Libyan Arab Republic in 1969 and the Socialist People's Libyan Arab Jamahiriya in 1977.

[2] Russian interest in the Mediterranean antedates the October Revolution: a traditional aim of Tsarist diplomacy was control of the waterway connecting the Black Sea and the Aegean Sea. Robin Edmonds, *Soviet Foreign Policy, 1962–1973: The Paradox of Super Power* (London: Oxford University Press, 1975), p. 57.

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Big Four. In 1948, a Big Four Commission of Investigation dispatched to Libya to investigate local conditions reported that the country was not self-supporting and therefore not ready for independence. Under the circumstances, the Big Four Powers were inclined to place Libya under the trusteeship of one or more powers, but they could not agree on which powers should be involved. Deadlocked, they eventually referred the question to the General Assembly of the United Nations.

Under a General Assembly resolution dated 21 November 1949, the United Kingdom of Libya, the first North African state to achieve statehood and the first state to emerge under the auspices of the United Nations, was proclaimed on 24 December 1951. In a very real sense, the conflicting ambitions and policies of the Big Four Powers were the greatest assets Libya enjoyed in its struggle for immediate independence without first passing through a transitional stage of tutelage.[3]

The United Kingdom of Libya did not establish full diplomatic relations with the Soviet Union until 1955, and diplomatic and commercial exchange between the two countries was minimal throughout the reign of King Idris I (1951–1969). During the first decade of independence, the monarchy maintained a generally Western orientation in large part because it was heavily dependent on the income and financial assistance generated by British and American military bases in Libya. King Idris paid lip-service to the movements for Arab nationalism and Arab unity but refused to take an active part in the Palestine dispute or in the tumultuous Arab politics of the 1950s.

The discovery of oil in commercially exportable quantities in 1959 sparked growing internal pressure for socio-economic and political change in the 1960s. As one result, the monarchy made some minor modifications in the direction and emphasis of Libyan foreign policy. The government oriented itself more towards Nasser's Arab system and its support for Western policies decreased accordingly. As part of this reorientation, commercial and diplomatic links with the Soviet Union were expanded modestly. The Soviet Union participated in the annual Tripoli Trade Fair and a Soviet-Libyan trade agreement was signed in 1963. Libyan parliamentary delegations visited the USSR in 1961 and 1968, and a Supreme Soviet delegation visited Libya in 1966. Nevertheless, Libya remained a conservative, traditional Arab state identifiable as a general supporter of Arab causes but unwilling to play a more aggressive role.

## Radical reorientation and arms purchases from Moscow

On 1 September 1969, a group of Libyan army officers calling themselves the Free Unionist Officers Movement executed a successful coup d'état and initiated a radical reorientation of Libyan domestic and foreign policy. The movement was led by a twelve-man central committee which soon designated itself the Revolutionary Command Council (RCC). At first, the leadership of the RCC was anonymous, but Colonel Muammar Qaddafi soon emerged as the Chairman and de facto head of state.

[3] Majid Khadduri, *Modern Libya: A Study in Political Development* (Baltimore: The Johns Hopkins Press, 1963), pp. 111–40.

The ideology of the RCC can best be understood within the goal statements of freedom, socialism and unity contained in the 11 December 1969 Constitutional Proclamation. Freedom symbolizes the RCC's determination to achieve political and economic independence from any foreign (especially non-Arab) influence or constraint. In support of the policy of non-alignment, Colonel Qaddafi later developed his 'third universal theory' which seeks to develop a third, alternate course between Communism and capitalism.[4] Libyan socialism, based on the dual foundations of social justice and Islam, has resulted in a comprehensive and increasingly radical socio-economic and political revolution. In early 1981, for example, the General Secretariat of the General People's Congress announced the state take-over of all import, export and distribution activities, thus virtually eliminating the once large and active private sector. The question of Arab unity has dominated Libyan foreign policy since 1969. Qaddafi has actively sought union with a number of Arab states, and despite the failure of all of his efforts, he has continued to push such proposals.

On 4 September 1969, the Soviet Union announced its official recognition of the Libyan Arab Republic. At the same time, the Soviet Chargé d'Affaires indicated that the Soviet government was ready to provide any assistance required by the Libyans. Later Soviet comments on developments in Libya were friendly to the new regime but made no specific promises of assistance. Reportedly, the Russians sought a clearer indication of the direction the policies of the new regime would take before making further commitments.[5]

Pursuant to its policy of non-alignment, the Libyan government's early relations with the Soviet Union followed a dichotomous pattern. Early RCC pronouncements rejected Communism along with capitalism as unsuitable for the Libyan environment. Communism was condemned as a rejected, atheistic system alien to both Islam and Libyan socialism. At the same time, the Soviet Union was described as one of the Arabs' best friends and praised for its support of the Arab states in the struggle for Palestine.[6]

For the most part, the Libyan government carefully limited its early relations with the Soviet Union to the commercial sphere in general and the purchase of Soviet weapons in particular. The first delivery of Soviet military equipment was made in July 1970 and was exhibited at the 1 September parade commemorating the first anniversary of the revolution. Reports of additional Soviet arms purchases continued throughout the 1970s, including a purchase in 1974–5 of approximately $1 billion worth of military equipment, Libya's single largest arms agreement. Soviet arms were accompanied by Soviet advisers, but the Libyan government attempted to keep their numbers as small as possible. To accomplish this objective, the Libyans relied on other foreign advisers, including Cubans, Pakistanis and even Americans.

[4] Muammar Al Qathafi, *The Green Book, Part III: The Social Basis of the Third Universal Theory* (Tripoli: Public Establishment for Publishing, Advertising, and Distribution, 1979); Mo'ammar el-Gadhafi, *The Broadlines of the Third Theory* (Tripoli: Ministry of Information and Culture, 1972), especially pp. 32–44.

[5] Arieh Yodfat, 'The USSR and Libya', *New Outlook*, Vol. 13, No. 6, 1970, pp. 37–8.

[6] Mu'ammar el Qathafi, *Discourses* (Valletta, Malta: Adam Publishers, 1975), pp. 25–8, 86–7 and 133–7.

As the purchase of Soviet arms mushroomed, the Libyans endeavoured to retain a degree of independence by diversifying their arms suppliers. Throughout the 1970s, they attempted to secure arms from a variety of Western outlets, particularly France, Great Britain and the United States. This policy was marked by early success—as exemplified by the purchase of 110 French *Mirage* fighters announced at the beginning of 1970. However, as the decade progressed, Libya's policy of diversified arms suppliers collided with the growing concern in the West for maintaining a military balance in the region. Moreover, the Libyan government's strident anti-colonialism and anti-imperialism, its vehement denunciation of Israel, and its repeated links with terrorist activities also dampened enthusiasm in the United States and Western Europe for further arms sales to Libya.[7]

In this sense, an insatiable appetite for modern armaments and a foreign policy which increasingly isolated Libya from the West combined as primary reasons for the growing Soviet-Libyan relationship. When Western governments either refused to supply such armaments or made their supply contingent on policy changes, negotiations repeatedly broke down and the Libyans turned to the Soviet Union. In 1974 and 1975, for example, additional Soviet arms purchases were reported only after negotiations with West European governments for similar systems had broken down.

There is a certain parallel between Qaddafi's position vis-à-vis the West in 1972–5 and Gamal Abdul Nasser's situation in 1954–5, when he bought Communist arms from Czechoslovakia after the West refused to supply them with no strings attached. However, the comparison can be overdrawn. Nasser did not turn to the Soviet bloc for military equipment until three years after the 1952 revolution while Qaddafi did so immediately. Moreover, Nasser's neutralism did not enter an active or positive phase until approximately 1955, while the revolutionary government of Libya described positive neutrality as a key ingredient of its foreign policy within a month of seizing power.

## No ideological compatibility

Ideological affinity has played almost no role in the deepening Soviet-Libyan relationship; in fact, the early period was characterized by a degree of ideological antipathy. The revolutionary government's populist, Islamic and Arab nationalist views have nothing in common with Soviet ideology. In responding to reports in 1975 that Libya had granted the Soviet Union use of military bases, Colonel Qaddafi emphasized that Libya dealt with the Soviet Union on a commercial and not an ideological basis.[8]

Not only has ideological compatibility not existed, but the Russians have not insisted on it in Libya any more than they have elsewhere in Africa or the Middle East. During Qaddafi's latest visit to Moscow, for example, both he and the Soviet President, Leonid Brezhnev, reflected publicly on the ideological differences separating their governments while stressing the similarity of many of their view-

[7] Roger F. Pajak, 'Soviet arms aid to Libya', *Military Review*, Vol. LVI, No. 7, July 1976, pp. 82–7.

[8] *The Washington Post*, 16 July 1975.

points.[9] Rather, the Soviet Union sees its involvement in Libya as an effective avenue to pursue both strategic and political-economic goals in the region, such as undermining Western influence, increasing its voice in Middle Eastern and African affairs, and easing the logistical problems of maintaining a naval force in the Mediterranean Sea. Other Soviet motives include a need to earn hard currency and potential access to an oil source when their own supplies run short. Finally, the Soviet Union has viewed a close arms relationship with Libya as a means to recoup some of the influence and prestige it lost in Egypt after the late President Anwar Sadat expelled Soviet advisers and experts in 1972.[10]

Soviet policy towards Libya has been both reactive and opportunistic. It has been reactive in the sense that key Soviet initiatives have come in response to developments in the area beginning with the ouster of King Idris. The initial Soviet arms agreements, for example, came in response to overtures by the RCC and not as a result of prodding by the USSR. Soviet policy has been opportunistic from the standpoint of attempting to take advantage of every opening that has presented itself. To a very real degree, 'the troubles of the West have constituted, in nearly direct ratio, opportunities for the USSR.'[11] When the Libyans could not get the military supplies they wanted, the Soviet Union provided some of the most modern systems in its arsenal. Moreover, the Russians have sold far more arms than the small Libyan army could effectively utilize, thus enabling the latter to become its own arsenal for the Third World governments it supports.

Soviet policy towards Libya has also been aggressive, seeking to expand the technical interchange between the two countries. Colonel Qaddafi was invited to Moscow for state visits in 1977 and 1981. In 1975, the Soviet Union announced that it would provide Libya with the latter's first nuclear reactor, a 10-megawatts research facility. While Libya has signed and ratified the Nuclear Non-Proliferation Treaty, Qaddafi has been very interested in developing a nuclear energy programme, although he has emphatically denied any interest in the manufacture of nuclear weapons. Three years later, the Soviet Union agreed to construct a nuclear power plant and research centre with a capacity of 300 megawatts; and by 1981, the two countries were talking about expanding their nuclear co-operation to include a power station with two 400-megawatts units. During his 1981 visit to Moscow, Colonel Qaddafi also signed an agreement for additional technical and economic co-operation, reportedly covering areas such as oil and gas, non-ferrous metals and irrigation.[12]

On the Libyan side, Colonel Qaddafi has never pursued the preposterous threat he made in October 1978 to join the Warsaw Pact, a defensive alliance of European Communist states; however, he has continued to buy sophisticated Soviet arms,

[9] Foreign Broadcast Information Services, *Daily Report: Middle East and North Africa*, Washington, D.C. (hereafter *FBIS–MEA*), 30 April 1981, pp. Q1–Q3.

[10] While it is commonly assumed that Libya pays for its Soviet arms purchases on a cash basis, there is almost no information available on prices, terms or other details of the payment process. Roger F. Pajak, 'Arms and oil: the Soviet-Libyan arms supply relationship', *Middle East Review*, Vol. XIII, No. 2, Winter 1980–81, pp. 54–5.

[11] John C. Campbell, 'Communist strategies in the Mediterranean', *Problems of Communism*, Vol. XXVIII, May–June 1979, p. 2.

[12] *Middle East Economic Digest*, Vol. 25, No. 19, 8–14 May 1981, p. 32.

and he has allowed the number of Soviet advisers to increase over the years. Of more significance, there have been repeated reports that the Libyan government will sign a 20-year Treaty of Friendship and Co-operation with the Soviet Union similar to the Soviet accords with Iraq, South Yemen and Syria. While such pacts have not always enhanced the power and influence of the Soviet Union, the conclusion of one with Libya would have to be viewed as strengthening Moscow's strategic and political position in the area. In the short term, it would enhance the Soviet political and military presence in the Middle East. In the long term, it would take the Russians a step closer to their goal of achieving a permanent role in the area.[13]

While the Soviet presence and influence in Libya has increased over the last 12 years, the Libyan government has steadfastly rejected Soviet efforts to acquire port or refuelling facilities for Soviet naval forces in the Mediterranean Sea. Nevertheless, Colonel Qaddafi's April 1981 visit to Moscow and the August 1981 clash between United States and Libyan fighter planes over the Gulf of Sidra have encouraged speculation that Libyan co-operation with the Soviet Union may increase to this degree. In July 1981, two Soviet frigates visited the naval base at Tripoli, reportedly the first visit by Soviet naval forces to a Libyan base. In the autumn of 1981, speaking at the twelfth anniversary of the 1 September Revolution, Colonel Qaddafi threatened to attack United States nuclear facilities around the Mediterranean Sea and stated that Libya should ally itself with one of the super-power camps.[14]

### Soviet strategy

While such hyperbole is not new, the Soviet-Libyan relationship is approaching new milestones. If the Soviet Union is able to acquire even limited access to Libyan port facilities, it would mean a major gain for Soviet naval diplomacy. As was earlier true of Egyptian ports, Soviet access to Libyan ports would increase Soviet capabilities in the Mediterranean, especially their ability to monitor the US Sixth Fleet and allied navies. Moreover, it could lead to Soviet access to Libyan air facilities, a possibility causing Nato planners much concern.[15]

The strategy the Soviet Union is pursuing in Libya is based on a formula developed during the Khrushchev era for expanding Soviet influence around the Mediterranean. The formula is composed of three elements: (i) the supply of Soviet arms to break the dependence of the Arab states on the West and to create a new dependence; (ii) the creation of a political and economic relationship with such states based on the calculated self-interest of each party; and (iii) a vague ideological solidarity based on anti-colonialism, anti-imperialism, anti-Zionism, revolutionary change and 'socialism'.[16]

[13] *FBIS-MEA*, 12 October 1978, I/6; 22 December 1980, I/2; and 23 February 1981, I/6. Recent published estimates of the number of Soviet advisers in Libya have varied from under 1,000 to over 4,000. The most commonly accepted estimate is 1,000–2,000.

[14] *FBIS-MEA*, 27 July 1981, Q/1; *Middle East Economic Digest*, Vol. 25, No. 36, 4–10 September 1981, p. 26.

[15] Drew Middleton, 'A Soviet peril: bases in Libya', *New York Times*, 1 March 1981.

[16] Campbell, *loc. cit.*, p. 5.

On balance, arms aid has been an effective instrument of Soviet policy in Libya as well as elsewhere in the Third World. Despite Libya's efforts to the contrary, the Russians have achieved a virtual arms monopoly as they are now its dominant military supplier. The supply of arms and advisers has naturally increased the Soviet presence and influence in Libya, although probably not to the extent some observers have suggested. In pursuit of his policy of non-alignment, Colonel Qaddafi has sought to avoid a future situation in which he could not obtain necessary spare parts or maintenance by establishing good relations with other holders of Soviet military stocks.[17] In any case, we must remember that the supply of arms does not necessarily translate into lasting influence. The Soviet experience in Egypt is a telling case in point.

Soviet strategy in Libya also exemplifies recent trends in arms sales worldwide. The Libyan armed forces have acquired quantities of modern, sophisticated weapons far in excess of their capacity to absorb and operate them and probably in excess of their capacity simply to maintain them. Having spent an estimated $12 billion on armaments since 1969, Libya's 55,000-strong armed forces reportedly have the highest ratio of military equipment to manpower in the Third World.[18] At the same time, the Libyans have been successful in increasing the quality of weapons the Soviet Union has dispensed—from the low-cost, obsolete ones sold in the 1950s and 1960s to the provision of some of the most advanced items in the Soviet inventory.

While the supply of Soviet arms to Libya has increased, the economic and political relationship has been much slower to develop. With substantial oil reserves, Libya does not need Soviet economic assistance; and with the exception of the nuclear programme, the Soviet Union has been largely unable to offer the material and know-how the Libyans require to accomplish their development goals. Moreover, the real limits of their ideological affinity have also retarded the development of closer political and economic ties. While the touchstone of the Soviet Union's foreign policy in Libyan eyes remains the former's position on the Palestinian issue, important ideological and policy differences exist over questions such as the Soviet intervention in Afghanistan and the appropriate level of Soviet support for the so-called Arab Steadfastness and Confrontation Front. Consequently, while many Libyan policies may coincide with Soviet interests, there is little evidence to suggest that the former are dictated or even strongly influenced by the Soviet Union.

### Counter-productive US policies

Ironically, the policies of the United States government have fostered the Soviet-Libyan relationship by increasing Qaddafi's sense of isolation, thus pushing him towards even closer ties with the Soviet Union. Recent actions of the Reagan Administration have also revitalized the Libyans' flagging patriotism at a

[17] Dennis Chaplin, 'Libya: military spearhead against Sadat?', *Military Review*, Vol. 59, No. 11, November 1979, p. 45.

[18] Robert Bailey, 'Arab armed forces expansion brings manpower headaches', *Middle East Economic Digest*, Vol. 25, No. 40, 2–8 October 1981, p. 26.

time when increasingly radical socio-economic changes and widespread repression at home and abroad had generated a significant increase in opposition to Qaddafi and his revolutionary government.[19]

The viewpoint in Washington can be differentiated from that prevailing in Western Europe in at least two significant areas. First, while European analysts generally acknowledge Qaddafi's anti-Western behaviour, they argue that he is not as dangerous as the Reagan Administration maintains. As evidence, they cite his foreign policy failures in Uganda and Chad and his alienation of Middle Eastern and African leaders. Second, many West Europeans feel it is a mistake to isolate Qaddafi, setting him up as the prime example of the kind of international behaviour President Reagan refuses to accept. They argue that communications with Libya should be maintained to protect Western economic interests and to keep Libya from developing even closer ties with the Soviet Union.

The advent of the 1 September Revolution, with its emphasis on anti-imperialism and its fervent support for the Palestinian cause, has enabled the Soviet Union to expand its influence in Libya, an objective pursued since before the end of the Second World War. Soviet arms sales to Libya have increased dramatically and Soviet technical assistance, especially in the area of nuclear energy, has also increased. Political co-operation lacks a strong ideological base and has been at a relatively low level in the past decade. For the most part, the political co-operation that has occurred has been due more to coincidence than to a plan or the ability of the Soviet Union to use arms aid to influence the Libyans.

Recent statements by Colonel Muammar Qaddafi, prompted in part by growing opposition to his regime at home and his increasing alienation from the West, may portend a move towards more overt political co-operation with the Soviet Union. A formal treaty of friendship, Soviet access to Libyan ports or even Soviet access to or control of Libyan airfields are all future possibilities, although any such formal association with a super-power would invalidate one of the Revolution's cardinal principles, non-alignment and positive neutrality. The nature of future co-operation is particularly difficult to predict given the fact that the Soviet-Libyan relationship has never been a natural or particularly comfortable one; and under changed circumstances, the Soviet Union's position in Libya could deteriorate even faster than its position in Egypt.

At present, the most that can be said is that both sides have benefited from the relationship in the past and are likely to maintain if not expand the present level of co-operation as long as it remains in their mutual interests. At the same time, it is important to recognize that any attempt to expand Soviet-Libyan relations from the present level of arms sales and limited technical co-operation to more concerted political action could prove paradoxical. Soviet pressure for such a move could be rewarded with short-term political and strategic gains; however, because of the tenuous foundation on which the entire relationship is based, such pressure could also have the reverse effect and destroy the Soviet toehold in Libya.

[19] Ronald Bruce St John, 'Libya's foreign and domestic policies', *Current History*, Vol. 80 No. 470, December 1981, pp. 428–9.

# Church and Pope in the Polish crisis

HANSJAKOB STEHLE

POLAND's Roman Catholic Church has always been the spiritual guiding force of the nation, closely linked for centuries with its political and historical destiny. It is scarcely possible to overestimate the role which it has played from the outbreak of the crisis in August 1980, through the sixteen months of the renewal movement and even after its abrupt end in December 1981—whether as a causal or a redeeming factor, as accelerator or brake, voluntarily or involuntarily. The figure of Pope John Paul II, moreover, is seen by Catholics and Communists alike as being of decisive importance.

'This Polish August could not have happened without a Pole on St Peter's throne,' wrote Jerzy Turowicz, Editor-in-Chief of the Catholic weekly *Tygodnik Powszechny*, shortly after the legalization of the Solidarity trade union,[1] and Jerzy Urban, who is still a government spokesman, admitted a few weeks before the imposition of martial law: 'All the people's grievances against the power of the state were channelled into the Church and the election of a Pole as Pope strengthened this religious propensity even further; when he came to Poland, I knew that this meant the end of a political epoch. . .'[2] The Deputy Premier, Mieczyslaw Rakowski, himself thinks, in retrospect, that even without the Polish Pope and his visit to Poland in summer 1979 'Solidarity would have been born, because the reasons for the crisis were deeply rooted in Poland's political structure and economic situation'; but even he admits, 'that these two elements provided a moral weapon of considerable influence'.[3]

Pope Wojtyla's homily on taking office on 22 October 1978 ('Open the boundaries of states, the economic and political systems') took on practical and even political shape during his visit to Poland. During the flight to Warsaw, he said[4] that he believed he would 'strengthen the Poles' confidence in themselves' and that this would have an effect throughout Eastern Europe; before the return flight, however, he paid tribute to the regime for its 'act of courage' in making his visit possible and thus testifying to a 'desire for rapprochement between peoples and between systems'. Certainly the image of the 'Slav Pope', tinged with mysticism and romanticism, which brought millions of people in the heart of the Soviet bloc on to the streets and squares in the name of religion, could only indirectly be seen to convey a revolutionary message; in fact, he frequently referred to the Christian

[1] *In an article for the Catholic newspaper L'Avvenire (Milan), 16 October 1980.*
[2] See Urban's interview in *Zycie Literackie* (Krakow), 1 November 1981.
[3] See Rakowski's interview in *The Times*, 23 February 1982.
[4] In conversation with the author (tape-recorded).

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image of Man and his belief in work and in peace as a stabilizing factor in all social systems.[5] For example, when the Pope spoke to workers in the mining town of Mogila (not in neighbouring Nowa Huta, where the apprehensive government would not allow him to go), he said:

> Christ never wants Man to be considered merely as a means of production... This should be remembered by the worker and the employer, by the work system as well as by the system of remuneration. It must be remembered by the State, the nation and the Church... For the sake of humanity the Church would like to reach an understanding with every work system, asking only to be permitted to speak to the individual human being about Christ and to love him according to his human dignity... In the spirit of fraternal solidarity and on the foundation of Christ's cross I, too, have shared in the building of the huge Polish works known as 'Nowa Huta' together with you, managers, engineers, miners, labourers, ministers [!][6]

However carefully formulated, such religious appeals were unlikely to have the effect of reducing conflict, least of all that of acting as the sleep-inducing 'opium' of official ideology. Given Poland's growing economic and social tensions at the end of the 1970s, Christian humanism as preached by John Paul II could only stimulate the internal dynamics of the situation. If religion was once the 'sigh of the oppressed creature' (Karl Marx), it became here—in a quite different sense—the scream of protest, the call for the reform and even for the revolutionization of a regime which was at the same time impotent and over-powerful. Patriotic pathos, endowed with the moral and religious authority of a supranational, world-wide Church, transformed itself into real power, but also into unreal expectations. A Pope who resolutely distanced himself from the 'theology of liberation' in any political sense and who wants to 'keep his Church free' of politics and have it opt 'only' for the human being[7] saw himself suddenly become the protector and guarantor of a politically explosive popular movement: his portrait with that of the Madonna had become a beacon of their struggle for the striking workers who prayed at the gate of the Gdansk shipyard.

The Church immediately recoiled in horror at the thought of such a role; as in all Poland's months of crisis since 1956, the Church took up its stand at the head of the new movement, but only so as to curb it and to harness its energies for a new and if possible better compromise.

The otherwise valiant Primate, Stefan Wyszynski, was more conscious than most of his fellow believers and priests of the limits imposed upon Poland's freedom of action by the Soviet empire; once again he was therefore influenced in his conduct by the need for national and religious self-preservation rather than by his compatriots' emotional reactions. On 15 August, the day before the beginning of the

[5] See Hansjakob Stehle, 'Die Ostpolitik des polnischen Papstes', *Europa-Archiv*, No. 14/1979, p. 431 ff.

[6] See the collection of the Pope's speeches in Poland based on the spoken texts: *Jan Pawel II na Ziemi Polskiej* (Vatican City: Libreria Editrice Vaticana, 1979), p. 249/50.

[7] Speech to the conference of Latin American bishops in Puebla (*Osservatore Romano*, 29 January 1979).

Gdansk strike, he reminded his listeners in Czestochowa with a polemical undertone of the military 'miracle on the Vistula' which had saved Poland from the Red Army sixty years earlier; on 17 August, however, as the wave of strikes spread, he spoke in a sermon in Wambierzyce—without mentioning the strikes—of the prerequisites 'for peace and equilibrium' in the country: 'Honest work; an end to extravagance, thrift, fewer credits from abroad and fewer exports. All the nation's needs must be satisfied, including its moral, social, religious and cultural needs...'[8] The Pope first expressed his concern in a short letter to Wyszynski on 20 August and supported the Primate 'in the defence of our nation' by calling for 'its daily bread, social justice and the safeguarding of its inviolable rights to its life and development'.[9]

On 26 August, three days after the Party leader, Edward Gierek, finally began negotiations with the strikers in Gdansk, Wyszynski's counsel of moderation to the workers was so urgent that Gierek—for the first time in decades—had the sermon broadcast on radio and television, although sentences condemning the propagation of atheism and boasting of Poland's sovereignty within the Warsaw Pact were censored. What astonished many Poles, however, angered the Gdansk workers ('Our Lady is on strike') and caused the leading Polish emigré newspaper to accuse the Cardinal of 'putting the authority of the Church at risk'[10] were sentences like these: '... The time has come for us to examine our consciences. No one of us is free of guilt... The human being has the right even to withhold his labour in order to defend his interests. We know, however, that this is an extremely expensive means which costs the economy millions and threatens the life of the whole nation... I think that sometimes demands should be moderated in order to restore order in Poland. They may be justified, and in general they are, but they can never be met immediately and completely. They must be realized in stages. It is necessary, therefore, to talk to one another...'

Similar views were voiced on 27 August by the Central Committee of the Conference of Polish Bishops, headed by the Primate, which 'expressed its appreciation to the striking workers and their committees, as well as to the authorities, for having succeeded in avoiding a breakdown of public order' and called on both sides to begin an 'honest dialogue'.[11] Three days later, an agreement ended the Gdansk strike. As was only later discovered,[12] this had required a direct intervention on the part of the Primate. During the night of 27–28 August, Wyszynski had sent his aide, Romuald Kukolowicz, direct to the Politburo of the Party with an offer: under his, Wyszynski's, authority a three-man arbitration committee should be set up in order to break the deadlock in the Gdansk negotiations. Only after hours of hesitation did the Party leadership agree; Kukolowicz flew to Gdansk with his colleagues, the Catholic lawyers Andrzej Wielowieyski and Andrzej

[8] This and following texts in *CSEO-Documentazione* (Bologna), No. 152. (CSEO=Centro Studi Europa Orientale.)

[9] The censor allowed the publication of the Pope's letter only after two and a half weeks; see *Tygodnik Powszechny*, 7 September 1980.

[10] See *Kultura* (Paris), No. 1/1981. The Primate's attitude was here compared to that of Marshal Pétain during the German occupation of France.

[11] Full text in *Europa-Archiv*, No. 24/1980, p. 671 ff.

[12] See interview with Kukolowicz in the Catholic Wroclaw weekly, *WTK*, 30 August 1981.

Swiecicki, with written testimony from the Primate and they were able to influence both Lech Walesa and the government negotiators. (The panel of three, acting as advisers to Solidarity, continued thus—with varying degrees of success—until the catastrophe of 13 December 1981, and even afterwards, on behalf of the new Primate Glemp, when he was allowed to make contact with the interned trade union leaders.)

No doubt, Wyszynski's cautious attitude was also influenced by uncertainty as to whether the enforced change of leadership in Party and State which took place on 5 September[13] would cause a deterioration in the Church's situation, which had been tolerable during the Gierek era, or whether it would bring the possibility of an improvement. At all events, the episcopate certainly made use of the situation to further the interests of the Church but also to present itself as the champion of human and civil rights: already in his declaration of 27 August, the Archbishop claimed as his own the strike movement's demands for freedom of assembly, the freedom to form trade unions, freedom of information and speech, humane working conditions and fair wages. On 24 September, after a lengthy period of inactivity, the 'Joint Committee of Episcopate and Church' was reactivated under the chairmanship of Cardinal Macharski of Krakow and Vice-Premier Barcikowski. During the next few months (in ten sessions up to January 1982), its negotiations led to the fulfilment of some of the Church's dearest wishes: an improved status for the diocesan seminaries, exemption from military service for seminarists, increased circulation for Church newspapers, the return of the charitable organization 'Caritas' to Church control, the broadcasting of the Sunday Mass, the import and uncensored distribution of the Polish monthly edition of the *Osservatore Romano* (120,000 copies) and—not least—the State's willingness to discuss a guaranteed legal status for the Church.

Close contact with the Church was important to the new Party leadership under Stanislaw Kania because it could not itself take a leading (and controlling) position at the head of the 'renewal movement' (*odnowa*) and allowed it to advance only step by step, under pressure, as a result of new strikes and conflicts but also from fear of Soviet intervention.[14] For their part, the Polish Bishops at their conference made it clear, after their session of 15/16 October, that they were perfectly aware of this situation, but also of the need to continue their efforts for reconciliation and calm in close contact with the renewal movement. In an interview with the Catholic weekly *Kierunki* on 5 October, Lech Walesa stated that his trade union, whose members included atheists, while acknowledging the moral and religious inspiration it drew from the Church, would 'build no chapels' and would go its own way. In their communiqué of 17 October, however, the Bishops said:

> The Bishops share the anxieties of the working population, give it their moral support and defend its rights. At the same time, they express their conviction

[13] See *Europa-Archiv*, No. 24/1980, p. 683 ff.

[14] See Christoph Royen, 'Der polnische Sommer 1980', in *Europa-Archiv*, No. 24/1980, p. 735 ff. Kania had been responsible for Church affairs since 1968, first, as head of the Administration Department of the Central Committee of the Party, then, since 1971, as Secretary of the Central Committee

> that once workers' rights are recognized—and the status of the new trade union agreed—everyone will do his duty with increased energy and zeal in all spheres of work and of national life. At present we need social peace, internal stability on the basis of the agreements reached between the power of the State and society and—linked with that—an economic order which will enable us to build a better future and to strengthen the security of a free fatherland. . .[15]

The Bishops hinted delicately at what they meant by 'security' at a time when increasing criticism of Poland's course was being heard in neighbouring countries:

> All Poles want to feel they are the master in their own house, but we must bear in mind our historical and geographical position; we must therefore act circumspectly and safeguard public order.

Two days before Cardinal Wyszynski travelled to Rome on 23 October, he agreed at his first meeting with the Party leader, Stanislaw Kania, that 'constructive co-operation between Church and State is in the interests of the nation and will therefore continue for the sake of Poland's well-being and security.'[16] The Primate found John Paul II in complete sympathy on this; on 8 November, the Pope, who maintained discretion in public, sent to the Solidarity leadership via Wyszynski the urgent plea for 'great patience and great moderation'. This may have been largely responsible for the fact that the dramatic political tug-of-war over the procedure for the legal registration of Solidarity ended on 10 November with a compromise which resulted nevertheless in full legality for the trade union. Its leadership (with Lech Walesa) went straight from the court to the palace of the Primate, who checked their enthusiasm with a lecture during which he referred to his conversation with the Pope:

> . . . Even if you succumb to various temptations of a political nature, remember that your first goal is the solution of social problems and problems of the work place: the protection of the worker, hygenic conditions and safety at work, the observance of the right to work, and of social legislation. . . Strikes are a costly measure of last resort. . . Of course, you have many demands, needs and wishes, but there is an order of priority in everything: there are some things which today's state can give and some it cannot give, and could not give even if it were organized in the best possible way. . . The most important thing is to save the nation and to save its families *within* the present system (*a w obecnym systemie*). . .[17]

It became more and more difficult for the trade union leadership to refrain from infringing these limits of the system as the influence of politically trained intellectuals made itself felt in its ranks. The latter saw in every success achieved as a result of ever-renewed trials of strength evidence of further possibilities; unlike the worker-tribune Walesa, they were not (or not to the same extent) linked to the Church. All the more, therefore, did the Church seek to remind people of these links at critical moments—as on 16 and 17 December 1980 when Cardinal Mach-

[15] *Osservatore Romano* (Polish edition), No. 9/1980. [16] Radio Warsaw, 22 October 1980.
[17] Full text in *Slowo Powszechne*, 21 November 1980.

arski, Bishop Glemp and Bishop Dabrowski, secretary of the Episcopate, travelled to Gdansk to dedicate the memorial to the victims of the 1970 troubles in order to de-politicize as far as possible this emotionally charged anniversary and to celebrate it as 'a time of prayer for the unity of the nation'. Shortly beforehand, on 12 December, the Bishops' Conference had once again warned of 'activities which put at risk the freedom of the fatherland' and which could put a stop to the renewal. After the Conference, the Episcopate's spokesman, Alojzy Orszulik, had criticized the Marxist dissident Jacek Kuron (violently under attack from the Party). His statements might 'give rise to nervousness' on the part of Poland's eastern neighbours. Orszulik, who was accustomed to speak only on the instructions of the Cardinal Primate, was heavily criticized for this even by Catholic lay circles. The episode made crystal clear the Church's anxiety about the political influence exerted on Solidarity by the 'Committee for Social Self-defence' (KOR) of which Kuron was a member. It was therefore a matter of urgency for the Church to take the union protectively by the hand—despite the risks this involved.

The Pope's special audience for Lech Walesa and his leadership team on 15 January 1981 in Rome was celebrated almost like a state visit. The Vatican had intentionally placed in the front row the Polish Ambassador to the Vatican, Kazimierz Szablewski, and his colleagues[18] whom the Pope greeted 'with pleasure' in his very first sentences; a year later, in the shadow of martial law in Poland, their presence supplied him with an argument in favour of Solidarity's legality.[19] As on several previous occasions, he now praised the 'maturity' of his compatriots and, indeed, the 'discreet as possible way' in which he himself had played a part in the crisis from a distance. The legalization of Solidarity now made it possible for him to embrace the renewal movement publicly with all his missionary zeal and at the same time to attempt—diplomatically—to restrain and safeguard it:

> There is—and should be—no opposition between this kind of autonomous social initiative on the part of workers and the structure of a system which regards human labour as the fundamental value of political and social life... This is, and always will be, a purely internal matter for the Polish people as a whole. The upheavals of last autumn were directed against no one... They are in the interests of peace and international order... The activity of trade unions is not political and must serve no one and no political party as a tool... May you always be accompanied by that same courage which has been with you from the beginning of your initiative, and also by that same prudence and moderation. This is vital for the peace and well-being of our fatherland—as the Primate said in the address I have mentioned [of 11 December] and on other occasions...[20]

Cardinal Wyszynski's policy was thus blessed by the highest authority, but by no means followed.

[18] He first appeared in the list of diplomats in the *Annuario Pontificio 1982* as head of the 'Working Group on Permanent Working Relations between the Polish People's Republic and the Holy See'.

[19] Speech to European trade unionists (including the DGB Chairman Vetter), *Osservatore Romano*, 10 February 1982.

[20] Polish text of the speech in *Osservatore Romano*, 16 January 1981.

The disintegration of the governing Party's power, accompanied by the total loss of confidence of the governed and by increasing signs of economic catastrophe, brought about a political vacuum in Poland whose 'power of attraction' had an almost automatic effect on Solidarity, which grew stronger month by month. More and more conflicts, strikes and clashes flared up, as well as unmistakable provocations, which all aggravated the polarization. 'The repairs to the Republic must reach the roots of the evil, but in tearing out the roots, we must not fall into new errors and injustices,' warned the Bishops' Conference on 10 February.[21] The Primate's efforts at mediation (his confidant Kukolowicz appeared at many a crisis point) became more difficult. When Solidarity called a general strike for the end of March after the first bloody clash in Bygoszcz and the Primate summoned the trade union leaders in order to urge them to become more reasonable, they asked Wyszynski to record his appeal on tape—so great had their supporters' mistrust become.[22]

John Paul II, however, ventured a risky step without precedent in the history of the papacy: on 28 March, he informed Wyszynski in a telegram that voices of workers from all over Poland were reaching him and 'emphasizing their will to work, not their will to strike' (*wola pracy a nie straijku*).[23] This direct intervention had scarcely any noticeable effect; it no more brought about a change of atmosphere than the first meeting between Wyszynski and General Jaruzelski (in office as head of government since February) on 27 March, when both sides called for the 'peaceful solution of conflicts'. The Cardinal's influence was still strong enough, in April, to help the peasants to get a trade union of their own after a period of serious tension; but his illness, the assassination attempt on the Pope on 13 May and Wyszynski's death on 28 May made clear to the outside world what had been concealed and overlooked as a result of the daily drama of events: that the influence of the Church on developments and its powers of persuasion had diminished. In the as yet unaccustomed atmosphere of almost unrestricted freedom of speech and publication and in the face of a 10-million-strong organization like Solidarity which was critical of the regime, it was inevitable that the Church should lose its decades-old function as the sole refuge and basis for legal opposition. For a moment it seemed as if an epoch were being carried to its grave along with the great Primate, at whose bier cardinals from East and West mourned side by side with Poland's Catholics—and Communists.

The Pope's appeal for thirty days of mourning and 'national meditation' was conveyed to the government and to the trade union by Cardinal Macharski, but had no noticeable calming effect in the country. The new Primate, Jozef Glemp, recommended by Wyszynski himself (whose secretary he had once been) as his successor, was determined to continue on his predecessor's mediating course, with the élan and unconventional style of the younger man. But first he had to acquire the authority of his predecessor. He knew very well that the Church's 'temporary' role in political life 'arises from the situation of a country in which the

[21] Text in *Tygodnik Powszechny*, 22 February 1981.
[22] See interview by Tadeusz Mazowiecki in *Die Furche* (Vienna), 21 May 1981.
[23] See *Osservatore Romano*, 29 March 1981.

power of the state is unable to find a common language with the people'.[24] The Congress of the 'Polish United Workers' Party' in July succeeded in this only to a very limited extent, despite a new style of internal democracy and relentless self-criticism.[25] The power which no one could take away from the Party—without risking extreme external dangers—continued to slip away from it, while in the Solidarity movement the power which it could not grasp—without risking self-destruction—unleashed frustrations, dissension and political strife.

The first warning against attempts 'to exploit the growing tension for political ends' and against 'hatred and vindictiveness' was given by the episcopate on 13 August. Glemp spelt out the message more clearly on 26 August in a sermon preached to thousands of pilgrims at the shrine of Czestochowa when he deplored the increasing polarization, responsibility for which he attributed to both sides, though in unequal proportions:

> Each side insists on its own innocence while pillorying the failings, mistakes and sins of the other. One only has to turn on the radio or the television to hear one side condemn the arrogance and false behaviour of the other. The other side, however, which is denied access to the same media, has turned to caricature and even to verbal abuse and, driven by the need for self-preservation, takes refuge in the issuing of ultimatums. And so the game continues.[26]

In the light of this tendency, Glemp decided to go himself to the Solidarity Congress in Gdansk. At the opening Mass on 5 September, preaching at the Cathedral of Oliwa, he called on the trade unionists to be prepared to make sacrifices in the interests of peace—by which he certainly did not reckon with the call for free elections and the appeal to the peoples of Eastern Europe—initiatives with which this Congress broke internal and foreign policy taboos alike and provoked indignant Soviet reactions. (Thus, the letter from the Central Committee of the Communist Party of the Soviet Union to the Central Committee of the Polish United Workers Party which was published on 18 September.)[27] The final phase of the Congress, during which Lech Walesa received only 55 per cent of the votes on 3 October (as a result of his moderate stance), also signalled the diminished influence of the Church.

The Party leadership nevertheless tried all the more urgently to gain the Church's support against further radicalization. The idea of a new 'Front of National Understanding' which Politburo member Stefan Olszowski had already put forward on 22 September, was now debated in various forms: A 'grand coalition' of Communists and Catholics? A triple alliance of Party, Church and Solidarity? As a government or merely as a supporting committee? Or without the participation of the Church as such but with a 'Christian Workers' Party' inspired by the Church in which the trade union, too, could be included—and tamed?

[24] From one of the many interviews in which he introduced himself to the public (see *Polityka*, 31 August 1981).

[25] See George Kolankiewicz, 'Reform, revision or retreat: the Polish Communist Party after the Ninth Extraordinary Congress', *The World Today*, October 1981.

[26] Text according to *kath-press*, Vienna.

[27] See the documents in *Europa-Archiv*, No. 4/1982, p. 99 ff.

On 13 October in Castel Gandolfo, the Foreign Minister, Jozef Czyrek, spent hours trying to convince the Pope of the necessity for a solution along these lines, on the grounds of the dire state the country had reached (whilst on the same day Moscow's *Pravda* for the first time accused 'reactionary Catholic priests' of being behind the 'Polish counter-revolution'). Primate Glemp, who came to Rome for a few days, was in agreement with the Pope that the Church must under no circumstances involve itself directly in politics. At a meeting with General Jaruzelski on 21 October, he was therefore only in very general agreement with a joint announcement according to which 'the growing difficulties' rendered absolutely necessary 'the establishment of a broad platform of national understanding'. A step in this direction gave rise to world-wide astonishment and hope: on 4 November, Glemp, Walesa and Jaruzelski sat down together at the negotiating table for the first time. Was power-sharing really about to happen?

Appearances were deceptive, for neither Walesa nor Jaruzelski wanted (or was able) to define the form of the new 'Front of National Understanding'. Not only because they did not entirely trust each other and because Glemp (who again flew the next day to Rome for a week) wanted to serve only as an indirect guarantor, but also because both had to consider the radical forces within their own institutions. It was these forces which now, in the situation of near-anarchy,[28] began to move towards a new trial of strength: the demand by the Party's Central Committee for 'emergency powers' for the government led to the trade union's threat of an unlimited general strike; police action against striking students of the fire officers' training school heightened the militancy of the Solidarity leadership's internal debate in Radom at the beginning of December. The vehement phrases, rendered even more insolent in their abridged form, were broadcast on the radio. There was talk of 'unavoidable confrontation'. Such confrontation occurred in reality when the Union's Agricultural Committee at a public meeting in Gdansk ignored the advice of its religious counsellors and threatened to hold a referendum on 15 January to decide on the extent of the people's trust in the government and the possibility of free elections. This took place on 12 December, the eve of the rude awakening. . .

In vain had Archbishop Glemp on 7 December decided after all on direct political intervention—a decision dictated by obvious despair: in the name of the Church, 'which has shared the fate of our fatherland for a thousand years', he warned the Sejm (Parliament) in a letter against emergency powers for the government because such a step would only 'poison the atmosphere' and provoke the trade union to a general strike. He wrote a similar letter of entreaty, the text of which was not disclosed, to General Jaruzelski, the head of the government and Party leader. To Lech Walesa, however, whom he had tried to persuade to change his mind at a meeting on 10 December, he wrote bitterly of the increasing hate in the country which obscured the truth. The dialogue in the style of 4 November must be renewed. Glemp was, however, careful to limit the Church's role in this

[28] In Rome, Primate Glemp is said to have stated on 7 November: 'The people are tired. . . Any form of state power, even an incompetent one, is better than chaos. . .' (*Kultura*, No. 12/1981).

'trinity' (*trojka*) of forces: its desire was only to serve the state and the trade union 'with its experience, its contemplative powers originating in the Gospel and its goodwill towards men'.

This was obviously insufficient; during these sixteen months of crisis the Church had been 'ceaselessly active—and yet inactive, had assumed responsibility—yet not assumed it', as the Austrian Chancellor, Bruno Kreisky, described it critically in a controversial speech.[29] Precisely this dilemma is one from which the Pope's Church in Poland cannot escape, because it arises inevitably from its historically conditioned dual role, motivated by nationalism and religion alike. It is a dilemma which accompanies the Church after 13 December in a new and much more difficult phase of its existence.

[29] Text in *Die Furche*, 10 February 1982.

# Rumania's blind alley

GEORGE SCHÖPFLIN

THE Rumanian political system, subjected to 15 years of high mobilization and accelerated economic development, is currently showing acute symptoms of decay. These manifest themselves in a variety of ways. Political institutions do not have even the lame and fitful existence that they claim in other East European countries, but are a set of façades. The administrative machinery is incapable of coping with food shortages and economic breakdown. Both industrial and agricultural producers have largely abandoned attempting to meet unrealistic targets. The population is showing signs of restiveness and this tends to be expressed in casual violence. Only two institutions remain: President Ceausescu, together with numerous members of his family, and the instruments of coercion, especially the police.

Political decision-making in Rumania has been overwhelmingly concentrated in the hands of Ceausescu. The President makes many more speeches than any other East European party leader and addresses himself in quite extraordinary detail to a wide variety of subjects. In a word, the only institution for determining political strategy is Ceausescu. All others are expected to implement his will. This system has serious drawbacks, not least because one man is incapable of coping with all the myriad details of the running of a semi-modern state and his claim to do so excludes the talents of others. Ceausescu's rule is deeply committed to the most authoritarian form of government and might properly be described as despotism. The consequence of this system is that, whilst much that has gone awry in Rumania can be attributed to Ceausescu, the concentration of power in his

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hands can also be used as an excuse for the incompetence of subordinates. The system promotes irresponsibility. Furthermore, it has proved to be impossible to run such a system wholly on this basis with any hope of efficiency—Ceausescu's speeches have returned to the theme of discipline and inefficiency. This would suggest that he is less and less able to have his instructions obeyed.

### The strategy of the 1960s

The broad strategy of political development in Rumania dates from the early 1960s, when Ceausescu's predecessor, Gheorghe Gheorghiu-Dej, embarked on a policy of industrialization in defiance of Khrushchev's wishes.[1] Eventually Rumania would be transformed into a major industrial power and that, in turn, would enable it to stand up to pressures from the Soviet Union. The presence of the Soviet neighbour, who had annexed Bessarabia and Northern Bukovina, territories regarded as part of the Rumanian homeland, was a recurring source of trauma, reinforced by the attempt at cultural as well as political and economic hegemony exercised by the Kremlin in the 1950s. Hence Gheorghiu-Dej launched the policy of independence in foreign affairs, reliance on nationalism and economic growth at any cost.

What is rather striking about this strategy is how much it owed to the Soviet model of autarkic development under Stalin.[2] Each of the three strands in policy identified above have their equivalents in the Soviet Union of the 1930s. To these may be added some of the means by which the strategy was to be achieved. Gheorghiu-Dej recognized the importance of building a body of dedicated supporters in the party and, indeed, by the time of his death, the entire party was fairly cohesive in its support for him. This line was followed by Ceausescu, but with one significant difference. Dej generally retained a number of close subordinates and tended to rule as *primus inter pares*. Ceausescu gradually dropped or downgraded his potential rivals—he lacked the authority of his predecessor—and went on to assume a highly personal style of rule.[3] In many ways, this was closer to a regal, pre-modern style, not at all appropriate to a country whose ruling party stressed equality.

Considerable emphasis was placed by Ceausescu on rituals and these are, in fact, a useful source for interpreting regime intentions. Ceausescu had enormous pageants organized, invented rather spurious historical events intended to symbolize his own impeccable pedigree and mobilized thousands to attend these events. This went hand in hand with a personality cult unmatched by any other Communist leader, Stalin, Mao or Enver Hoxha included, since none of the latter ever had himself described in print as 'a lay god', one of many flattering descriptions ascribed to Ceausescu.[4] The highly personal style of rule also encompassed

[1] Stephen Fischer-Galati, *The New Rumania* (Cambridge, Mass.: Massachusetts Institute of Technology Press, 1967).

[2] Wladyslaw Bienkowski, *Theory and Reality: The Development of Social Systems* (London: Allison & Busby, 1982).

[3] Robert R. King, *History of the Romanian Communist Party* (Stanford, Calif.: Hoover Institution Press, 1980).

[4] *Saptamina*, 25 January 1980.

the leader's concept of political participation. This consisted of regular visits to various parts of the country of a purely formalistic kind; on one occasion, Ceausescu complained that the comments made to him by workers had been too frank.

## Nepotism and political recruitment

To replace the coterie of advisers built up by Dej, Ceausescu began a policy of promoting members of his extended family, on whom he could place greater reliance. Around two dozen individuals related to Ceausescu by blood ties or by marriage occupied posts of varying importance, among them his wife Elena. The problem with this policy was that family reliability was not a substitute for ability. The matter was compounded by a highly characteristic feature of the Ceausescu style of rule, which might be termed 'the permanent purge' or rotation. Individuals were constantly being moved from post to post, with the ostensible aim of reinvigorating institutions. The policy also prevented anyone from acquiring experience and, more importantly, from building up a power base from which to challenge Ceausescu.

At the lower level, Ceausescu embarked on a twofold innovation. First, he stressed that the country's development would be best implemented by 'the political manager', someone equally at home with ideology and with the requirements of modern technology. This was another major difference from the pattern which emerged in other East European countries, where the party accepted that ideologically 'neutral' technocrats should implement the strategy of modernization.[5] The process, known as the switch from red to expert, has not been adopted in Rumania, so that the intelligentsia is obliged to pay as much heed to political reliability (as defined by the rulers) as to technical expertise (for which there are more objective criteria). This approach to government has almost certainly been deleterious to development, as the political manager will invariably place political considerations above technical ones, so that when ordered to undertake a construction project, say, the engineers will pay more attention to party instructions than to safety factors.

The second innovation, which is unique in the Communist world, has been the merging of party and state functions. Intended to eliminate overlapping competences and jurisdictions, it provided for pluralism in office holding. Rumanian assessment of the innovation has been positive, although it is admitted that it places greater coercive power in the hands of individuals and thereby creates greater potential for abuses of power and corruption.[6] Equally serious has been the confusion generated by this measure. The role of the party in Communist states is supposed to be strategic; that of the state, executive. In Rumania, there tends to be a blurring of these two and attendant lack of clarity about competences and the ability of individuals to escape responsibility by shifting tasks from party to state functions and back again.

In the most recent period, Ceausescu has introduced a further stage in this by devolving execution entirely to the locality, while retaining all decision-making at

[5] King, *op. cit.*, for details. [6] *ibid.*

the centre. Thus decrees are issued from the centre, invariably without taking local conditions into account, and communal authorities are expected to carry them out, regardless of their ability to do so.[7] Indeed, a central feature of the Ceausescu style is the unceasing stream of laws, decrees and policy statements which the administration never really has a chance of digesting, let alone implementing. The result is that confusion is intensified and decrees or instructions are ignored.

**Economic aspects to the crisis**

This is the general political and structural background to the current crisis. The nature of the crisis has some affinities with what happened in Poland, in that it derived from overambitious development plans and excessive reliance on foreign credit, coupled with economic incompetence, inefficiency and waste. Although in the 1960s and early 1970s, Rumania was achieving some impressive growth rates, once extensive resources were exhausted, these rates declined. Thus, the growth in the rate of the net material product (in percentage terms) was 11·3 in 1971–5, 7·2 in 1975–80, and only 2·5 in 1980. Hidden beneath these figures is a story involving not only mismanagement, but also poor strategic planning. At the heart of Rumania's burgeoning crisis is the twofold proposition that beyond the stage of first-generation industrialization, the Marxist-Leninist method of achieving growth is disappointing and that emphasis on economic development takes place at the cost of ignoring political development—eventually this takes its toll.

In Rumania, the exclusion of the population and even the bulk of the élite from true decision-making has promoted irresponsibility and apathy, especially as the existing system has been backed up by the threat of force. So, for example, Ceausescu revealed that last autumn, at a time when food shortages were already afflicting the population, some party officials had ordered peasants to plough unharvested crops into the soil or burn them, because of an instruction from above that the harvest had to be completed by an early date that could not be met.[8] At the same period, there were several reports that local officials were returning falsified figures, often lowering the actual output, because that would leave local authorities with more to distribute and allow for a lower plan target to be set in the future.

The acuteness of the food shortage was demonstrated by the promulgation of two decrees in October 1981. The first of these reintroduced rationing of bread and flour and the second threatened draconian penalties against hoarders—anyone found with more than one month's supply of oil, rice, cereals, coffee and other foodstuffs was made liable to five years in prison. In fact, by the early months of 1981 food was reported to be very short in most areas of Rumania. The explanation for this lies in the decision to export large quantities of foodstuffs in order to meet the country's debt repayment obligations and in the disappointing harvest figures.

Rumania's indebtedness to the West is around $10 billion and it has evidently

[7] Anne Colas, 'Dossier: Roumanie, une situation explosive', *L'Alternative* (Paris), No. 14, 1982.

[8] *Scinteia*, 3 November 1981.

experienced extreme difficulty in meeting its obligations on servicing and repayment. New credit proved all the more difficult to secure given the Western bankers' new-found caution in lending to Eastern Europe in the light of the Polish débâcle, so that to that extent the Rumanian leadership could be exonerated. But in all other respects, the considerations that applied to Poland were relevant to Rumania, namely that the wasteful system of planning had been unable to generate sufficient growth to produce a high enough surplus for export to meet debt requirements. Hence, the decision in 1980–1 to squeeze the one sector that could provide some excess, the consumer.

The resulting shortages were accentuated by the poor harvest figures—instead of a grain harvest of 23 million tons, Rumania achieved only 20 million tons. This shortfall had a knock-on effect in other agrarian sectors, principally animal husbandry. The crisis in agriculture is of many years' standing. Fundamentally, the system offers no incentives and investment is inefficient. The result of this has been an accelerated flight from the land, so that around 55 per cent of the labour force is female and lacking in technical knowledge. Because of the non-availability of fodder, many private plot owners switched to a lower grade of animal better able to withstand the inadequacies of supplies and producing a lower yield. Numerous declarations and exhortations by Ceausescu on the minutiae of agriculture had probably not improved matters, in as much as they made it impossible for officials and technical advisers to implement any consistent policy. Typical of Ceausescu's style in this respect was his admission on 19 February 1981 that perhaps Rumania's agriculture had suffered by reasons of excessive emphasis on industry; by October of the same year, he was denying that the country's food crisis had anything to do with shortcomings in agriculture.

### Popular restiveness

The consequences of the food shortages in 1981 were to bring the population close to despair. The popular mood was reported as restive, something which was hardly made better by Ceausescu's remark that Rumanians consumed too much food anyway and ought to diet. For what it is worth, official figures claim an annual per capita meat consumption of 62 kg., but that figure is clearly not creditworthy and the real figure must be lower by 10–15 kg. The population's despair expressed itself in outbursts of occasional anomic violence. There were unconfirmed reports from various parts of the country of attacks on party officials and the police. After miners in the Motru valley went on strike, Ceausescu hurried there to talk to them; his helicopter was pelted with stones.[9]

There are, however, indications of deeper problems in this. In a political system in which there are no institutions whatever to absorb pressure from below—and that has been the result of Ceausescu's liquidation of even the vestigial institutions that he inherited—the only outlet for popular resentment is violence. In this context, violence should be regarded as a primitive form of political participation—the only means of bringing pressure to bear on the holders of power. Second, the tradition of sustained and cohesive organization around which an opposition might

[9] Details in Anne Colas, *loc. cit.*

emerge has been very weak in Rumania, much weaker than in Poland, say. The country's historical experience of survival through the pretence of subservience applies as much to domestic relations as it did to the way in which Rumania's rulers dealt with the Ottoman Empire. Third, the official response to these pressures has been to intensify repression. The security police is reported as being omnipresent, reasonably well organized and liable to use violence at the least provocation. Fourth, unlike Poland, there is no alternative institution like the church which might offer a focus for opposition. The Rumanian Orthodox Church is, for all practical purposes, a transmission belt under the control of the party and, in any event, the traditions of Eastern Orthodoxy are not as strong as those of Roman Catholicism in sustaining independent values of right and wrong. Rather, the Orthodox churches have tended to acquiesce in the power of the ruler and to promote externalization, external conformity coupled with inner dissent.[10] Fifth, the Rumanian intelligentsia, again unlike Poland, is distinguished by its readiness to be co-opted, to accept the material privileges offered by the party in exchange for being politically supine. The few individuals who have sought to breach this have quickly found themselves isolated and expatriated—Paul Goma is the best known instance.[11]

As far as the party itself is concerned, Ceausescu has ensured that no possible challenge to his rule can emerge—potential contenders have been demoted, reshuffled or dismissed. A major question mark must be placed over the attitude of the armed forces—this question must now be asked in Eastern Europe in the light of General Jaruzelski's putsch—and in the Rumanian case, there is an almost complete absence of information. What is known is that the army has hitherto been under strict party control and that it has been tied to the political leadership. It might, however, be deduced that the armed forces leadership cannot be overjoyed at the economic disintegration that Rumania is witnessing, on patriotic grounds if nothing else, and that the regular cuts in the defence budget cannot be too popular either. On the other hand, these do not add up to a picture of imminent military intervention.

In all, it is difficult to see the outcome of the present crisis. Ceausescu has ensured that there is no visible alternative to him: this implies that his disappearance will be followed by unrest on a considerable scale. Unrest of this kind on the frontiers of the Soviet Union tends to be viewed with disfavour by the Soviet leadership so that, at that stage, some kind of Soviet intervention to stabilize Rumania cannot be ruled out. In a word, the Ceausescu strategy of independence in foreign policy,[12] already a wasting asset, may well turn out to have been a total blind alley and to have served Rumania very badly indeed.

[10] Michael Shafir, *Political Culture, Intellectual Dissent and Intellectual Consent* (Jerusalem: Hebrew University, 1978).

[11] Shafir, *op. cit.*; Virgil Tanase (ed.), *Dossier Paul Goma* (Paris: Editions Albatros, 1977).

[12] See J. F. Brown, 'Rumania's uphill struggle for an independent role', *The World Today*, March 1973, and Robert R. King, 'Romania's struggle for an autonomous foreign policy', *ibid.*, August 1979.

# Arms control in outer space

JULIE DAHLITZ

WHILE public attention is focused on the balance of medium-range nuclear weapons in Europe and the equivalence of strategic weapons enumerated in the SALT II Treaty, the cutting edge of military competition between the United States and the Soviet Union involves the use of outer space for warlike purposes. A recognition of this fact among experts is reflected in a wide range of reports on the subject. The ongoing reason for increased preoccupation with the issue is the accelerating rate of technological advance in the field, transforming space wars scenarios from the realm of fiction into imminent possibility. A more immediate cause for concern has been the exacerbation of super-power tensions, with the consequent cessation of consultations between the United States and the Soviet Union regarding space-related arms control. Finally, the subject is topical in view of the impending second United Nations Conference on the Exploration and Peaceful Uses of Outer Space (UNISPACE), to be held in August 1982.

Space is already partly militarized. Although there is no agreed definition of outer space, it is generally acknowledged to commence about 100 km above the earth's surface, being the approximate altitude where objects are capable of completing at least one orbit in uncontrolled ballistic flight. The trajectories of some specific weapons, namely intercontinental ballistic missiles (ICBM) and fractional orbital bombardment systems (FOBS) intrude into this area.[1]

Although not directly a part of weapons systems, many earth satellites have military-related functions, including the surveillance of military installations, early warning of attack, and verification of the observance of some arms control agreements, notably of the SALT agreements. Other functions performed by satellites are of an overtly military nature. These include the positioning of potential static and mobile targets for attack; the transmission of military commands; communication with military installations, ground, air and sea-based weapons-carrying craft; and the guidance of missiles. In addition, much of the technology being acquired for peaceful uses, like space exploration and meteorology, has potential for military application in the future.

### Space-related arms control treaties

A number of arms control treaties have been concluded which significantly inhibit the militarization of outer space. For example, the Partial Test-Ban Treaty of 1963,[2] bans any nuclear explosion in outer space. The Outer Space Treaty of 1967,[3]

[1] FOBS are not permitted under the SALT II Treaty, *infra* Note 6.

[2] Treaty Banning Nuclear Weapons Tests in the Atmosphere, in Outer Space and Under Water.

[3] Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, Including the Moon, and Other Celestial Bodies.

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in Article IV, requires the moon and other celestial bodies to be used 'exclusively for peaceful purposes'. It also requires the Parties to the Treaty to

> . . . undertake not to place in orbit around the Earth any objects carrying nuclear weapons or any other kinds of weapons of mass destruction, install such weapons on celestial bodies, or station such weapons in outer space in any other manner.

This formulation does not outlaw the presence of weapons in space, provided they are not weapons of mass destruction or, being other weapons, that they are not stationed on the moon or other celestial bodies. Otherwise, the terms of this Treaty do not forbid either weapons in orbit or projected into space periodically.[4] Also, the Treaty has not been ratified by all states now thought to have the capability of deploying weapons in outer space.

The SALT ABM Treaty of 1972,[5] and Protocol of 1976, limit the permissible deployment of anti-ballistic missile systems to one site each for the Soviet Union and the United States. The Treaty encompasses all ballistic missile defence (BMD) systems. Although it does not refer directly to space-related BMD, the installation of weapons in space with a BMD capability by the Parties to the Treaty would be in breach of its terms. The Treaty is automatically due to be reviewed in 1982, when it may be sought to amend or abandon it.

The unratified SALT II Treaty of 1979,[6] in Article IX, provides that

> Each party undertakes not to develop, test or deploy . . . systems for placing into earth orbit nuclear weapons or any other kind of weapons of mass destruction, including fractional orbital missiles. . .

Thus, the SALT II Treaty, as well as the Outer Space Treaty, prohibit weapons in space like the planned Multiple Orbital Bombardment Systems (MOBS), or the space borderline FOBS.

In Article XV, the SALT II Treaty states that

> For the purpose of providing assurance of compliance . . . each party undertakes not to interfere with the national technical means of verification of the other party. . .

Such 'means of verification' consist largely of surveillance by satellite, hence, the Treaty in effect does not permit interference with the satellites concerned.

The most widely endorsed Treaty in the world, the Charter of the United Nations, in Article 2, forbids the threat or use of force of any kind, but in Article 51 it retains 'the inherent right of individual or collective self-defence'. This phrase is interpreted to justify the acquisition of all types of weapons, from rifles to space-based fortresses because, as Samuel Cummings said, 'All weapons are defensive'.[7]

[4] Ivan A. Vlasic, 'Disarmament decade, outer space and international law', *McGill Law Journal*, 1981, Vol. 26, No. 2, p. 137.

[5] US–USSR Treaty on the Limitation of Anti-ballistic Missile Systems.

[6] US–USSR Treaty on the Limitation of Strategic Offensive Arms (with Protocol; Memorandum of Understanding; and Joint Statement).

[7] Quoted by Russell Warren Howe, *Weapons; The International Game of Arms, Money and Diplomacy* (Garden City, N.Y.: Doubleday, 1980), Introductory Observations.

In the absence of a definable distinction between aggressive and defensive weapons there is no realistic prospect of international agreement to designate a space weapon as being inherently 'aggressive'.

Although each of the relevant provisions of the above-mentioned treaties has been conscientiously observed by all parties concerned, the treaties are no longer adequate to prevent an arms race in outer space. This is entirely due to the rapid rate of technological advance in the methods of warfare.

**Current technological advances**

The first consequence of technological advance has been to upset the existing equilibrium, providing a subsequent need to counteract the destabilizing factors. There are two possible ways to achieve this—either treaty provisions could be refurbished by concluding new treaties or updating existing ones, or the superseded treaties could be abandoned in favour of an uninhibited arms race involving the use of outer space.

Present disquiet about the strategic balance is primarily the result of the increased vulnerability of fixed ICBM due to their heightened accuracy, as well as to the increased accuracy of air-to-surface and sea-launched missiles. This makes each super-power more vulnerable to attack by the other, while at the same time bringing them closer to a disarming first-strike capability. Current space-related military technological innovations are concentrated in five major areas. The following examples refer mostly to United States technologies although Soviet counterparts exist in each instance.

(i) *Positioning*

The United States is gradually installing a Global Positioning System, known as NAVSTAR, to be fully operational later in the decade. It will consist of three circular orbits of eight satellites in each orbit. This will enable any user with a full accuracy receiver 'to compute his position in three dimensions to within 10 metres, his velocity to within 0·03 metres per second and time to within 10 nano seconds, and to do it instantly and continuously anywhere in the world'.[8] In 1978, the United States signed a Memorandum of Understanding with Belgium, Britain, Canada, Denmark, France, the Federal Republic of Germany, Italy, the Netherlands and Norway, agreeing to work together in the United States NAVSTAR Joint Program Office.

(ii) *Guidance*

Satellite-based global positioning, to be perfected in NAVSTAR, can be used for weapons guidance as in the US Air Force Tactical GPS Guidance (TGPSG) system. Already in 1980, 'extremely accurate midcourse guidance was demonstrated during nine months of tests'.[9] Electronic countermeasures (ECM) can be used to interfere with the guiding satellite signals but methods are also being developed to overcome the anticipated interference.

[8] Wing Commander Hugh Corrat, Royal Air Force, 'NAVSTAR', *NATO's Fifteen Nations*, March 1980, Vol. 25, No. 1, p. 32.

[9] 'News', *Military Review*, December 1980, Vol. LX, No. 12, p.80.

(iii) *Anti-satellite weapons*

Space vehicles capable of destroying other space objects in orbit, with conventional explosives or by ramming, have been tested since the mid-1960s. The manœuvre requires military satellites to approach the target vehicle by any one of the methods used for space rendezvous.[10] However, all anti-satellite weapons (ASAT) are not space based. They can be launched from aerospace or from earth by means of direct ascent.

ASAT technology is being refined with the development of Directed Energy Weapons (DEW), comprising high-energy lasers (HEL) and particle-beam weapons (PBW).[11] These weapons are not operational at present because it has not yet been possible to concentrate long-range beams at sufficient intensity. The outstanding attribute of the weapons is immense velocity, forestalling evasive manœuvres. Corresponding satellite defence technologies consist of ASAT-evading techniques and of anti-ASAT weapons seeking to create 'no-trespass zones' around satellites.[12]

(iv) *Space installations*

Both super-powers are close to constructing large space installations. The Soviet Union is developing a 220,000 lb permanent orbital station to be manned by up to 12 cosmonauts, to be completed by the latter 1980s. Large geo-synchronous orbital assemblies are also planned by the United States for construction with the aid of the Space Shuttle.[13] Although these installations are alleged to promote space-located industries and other civilian uses, there can be no doubt about their military potential. Even the lesser space objects are alleged to have predominantly military functions. For example, *Pravda* claimed that 'One of the first tasks of the shuttle spacecraft will be to test the aiming device for laser weapons put into orbit to destroy Soviet rockets.'[14]

(v) *Ballistic missile defence*

The speed required for space-based BMD would necessitate the use of DEW, which are still only at the experimental stage. Nevertheless, HEL weapons to be deployed on space platforms, designed to destroy ICBM and sea-launched ballistic missiles (SLBM) are on the drawing board.[15] According to stated plans, destruction of enemy missiles would take place during the boost phase of their flight, prior to the separation of multiple warheads. The project is referred to as exoatmospheric BMD, to distinguish it from ground-based or endoatmospheric BMD.

[10] Bhupendra Jasani, 'Outer space: a new dimension to warfare?', *Disarmament*, October 1981, Vol. IV, No. 2, p. 19.

[11] See *Aviation Week and Space Technology*, May 1981, esp. pp. 40–55; also Frank Ashbeck, 'The militarisation of space', *Armament and Disarmament Information Unit Report*, April/May 1980, Vol. 2, No. 2, pp. 1–3.

[12] David A. Andelman, 'Space wars', *Foreign Policy*, Fall 1981, No. 44, p. 102.

[13] Major E. M. Fitzgerald, 'The command of space', *RUSI—Journal of the Royal United Services Institute for Defence Studies*, March 1981, Vol. 126, No. 1, pp. 34–8; for pictorial representations see David Baker, *The Shape of Wars to Come* (Cambridge: Patrick Stephens, 1981).

[14] *International Herald Tribune*, 17 February 1981, p. 5.

[15] Colin S. Gray, 'New debate on ballistic missile defence', *Aviation Week and Space Technology*, 11 May 1981, p. 67.

**Space-related arms control initiatives**

Technological advances in space-based weapons systems are not matched by a commensurate perfection of methods to prevent war. Space-based verification of arms control treaties is believed to be inadequate by opponents of the SALT II Treaty. Even more disconcerting are claims that the North American Aerospace Defense Command (NORAD) continues to suffer from 'computer errors that have falsely warned the US military command of massive Russian pre-emptive nuclear strikes' beginning in November 1979.[16] Therefore, it appears that there is ample scope for additional co-operative measures to complement verification and early warning systems[17] dependent on space-related technologies.

The arms control initiative relating to space warfare that is nearest to international endorsement is the proposed Convention Prohibiting the Development, Production, Stockpiling and Use of Radiological Weapons. Although it concerns all radiological weapons, irrespective of location or intended application, the most likely use of the weapons would be against targets in outer space. The United States and the Soviet Union have already agreed on the elements of such a Convention in 1979, and since then it has been under consideration by one of the Working Groups of the United Nations Committee on Disarmament. Consensus has been delayed because some states wish to include new elements into the agreement, such as the safety of commercial nuclear reactors, and because the wording to define 'radiological weapons' has not met with universal approval.

In recent years, Italy has repeatedly voiced concern about loopholes in the Outer Space Treaty which have become crucial in the current technological phase. A draft Protocol to the Treaty was submitted to the Committee on Disarmament by Italy in March 1979.[18] The Protocol has failed to gain acceptance because its terms are so general as to prohibit military functions thought to be necessary for the maintenance of the strategic balance. At the same time, the proposed terms are too limited to restrain the testing and deployment of various types of ASAT weapons. Further, the suggested demarcation between permissible and forbidden conduct is too imprecise for successful implementation. These shortcomings are not so much the fault of the draftsman but are endemic to all efforts at space-related arms control. No doubt the Italian initiative has played an important part in highlighting the problems involved.

In December 1981, the General Assembly adopted two Resolutions concerning arms control in outer space, one sponsored by Western states[19] and the other sponsored by Socialist states.[20] The Western Resolution urged all states to refrain from any acts that would extend the arms race to outer space and requested the Committee on Disarmament to negotiate appropriate treaties. As originally

[16] 'This Week', *New Scientist*, 4 June 1981, p. 603.

[17] Co-operative verification measures under the SALT Treaties I & II, and 'Hot Line' agreements among all nuclear-weapon states except China, have established precedents for such procedures.

[18] UN Doc. CD/9 of 26 March 1979.

[19] Adopted by the General Assembly, on 9 December 1981, without dissent, with 13 abstentions, UN Doc. A/RES/36/97C.

[20] Adopted by the General Assembly, on 9 December 1981, without dissent, with 21 abstentions, UN Doc. A/RES/36/99.

drafted on 6 November 1981, operative paragraph 4 urged that priority be given to 'an effective and verifiable agreement to prohibit the development, testing and deployment of anti-satellite systems'. To attempt such a comprehensive undertaking, without intermediate steps, could delay restriction of ASAT deployments and other space war preparations to a time when the problem would become entirely intractable.

No doubt in deference to the practical difficulties involved, the wording of operative paragraph 4, as presented in plenary, was altered by deleting the requirement to prohibit 'testing and deployment', requesting simply that the agreement 'prohibit anti-satellite systems'.

The Socialist states adopted a similarly realistic approach, requesting the Committee on Disarmament to negotiate a Treaty along the lines proposed by the Soviet Union in a letter of 10 August 1981, addressed to the Secretary-General. The Soviet submission included a draft for a Treaty on the Prohibition of the Stationing of Weapons of Any Kind in Outer Space.[21]

### A compromise treaty

An ideal Treaty would debar all ASAT-directed activity and hence safeguard the command, control and communications ($C^3$) networks of the super-powers, thereby supporting the survivability of deterrent systems. The Treaty should also enhance the safety of verification and observation satellites and forestall the development of space-based BMD. The combined effect would be to prevent the emergence of a disarming first strike capability by either side, or the creation of chaos with unforeseeable consequences.

However, the ideal would seem to be unattainable in the short term. Therefore, rather than attempting to solve all space-related arms control issues within the scope of one negotiating effort, it would be preferable if a partial Treaty were agreed upon expeditiously, with a clause of the Treaty indicating that subsequent agreements are contemplated for the total demilitarization of outer space.

With a few clarifying amendments, it should be possible for the super-powers to adopt the Soviet draft on the basis of mutual benefit. In so far as it may be unequal in operation, the draft Treaty favours the United States, it being more dependent militarily than its counterpart on satellite systems.[22] In particular, it is believed that the Soviet Union is more advanced than the United States in space-based ASAT technology.[23] On the other hand, the Soviet Union has shown concern about the advances in United States BMD techniques.[24]

The Treaty would have to go beyond the prohibition of the operational use of ASAT weapons, a step that would be, in any event, tantamount to a declaration of war. Despite its failure to grapple with all types of ASAT weapons development

[21] Reproduced in UN Doc. A/36/192.

[22] The view is reiterated by David A. Andelman, 'Space wars', *Foreign Policy*, Fall 1981, No. 44, p. 100.

[23] For instance, Harold Jackson, 'Killer satellite tested', *The Guardian Weekly*, 15 February 1981, p. 6.

[24] See Note 14 *supra*; The attention devoted to the issue by the Independent Commission on Disarmament and Security Issues is significant.

and testing, the draft Treaty, by making it illegal in Article 1(1) to 'place in orbit' or 'station . . . in any other manner' any weapons in outer space, would inhibit many important aspects of such activity. The Treaty would also be inimical to the development of exoatmospheric BMD systems. However, it would be preferable if the 'projection' of weapons into space would also be forbidden, while distinguishing and excluding earth-targeted missiles from the operation of the Treaty. Such an addition would be a major step in preventing the testing of ASAT weapons.

Another aspect of the draft in need of tightening is the inclusion of a definition of 'outer space'. The definition would not have to have general application in international law, but could be restricted in application to the particular Treaty. Likewise, 'weapons' should be defined, if only to exclude those aspects of weapons systems presently indispensable for the strategic balance. The restricted definition of 'weapons' would also be preferable in connection with the verification provisions in Article 4(1).

There are limitless possibilities for amendments to improve the draft. In addition, a host of space-related arms control measures, to form the basis of future Treaties, readily come to mind. For example, the Convention on the Registration of Objects Launched into Outer Space, of 1975, provides for the registration of all space launches with the United Nations by its Article IV 1(e), which only requires notification of the 'general function of the space object'. An extension of that provision, requiring more detailed description of satellite function, could be introduced. Another proposal that has been canvassed would limit the permissible number of satellite launches per annum for every state.

It is to be hoped that the desire to formulate the perfect Treaty will be resisted. Admittedly, in the past the international community has had some unfortunate experiences and disappointments with preliminary arms control agreements that were not succeeded by more comprehensive ones, as originally anticipated. One instance is the Partial Test-Ban Treaty which, after 18 years, has still not been extended to forbid nuclear explosions in all environments. Nevertheless, it is mistaken to extrapolate from experiences of that kind, that partial Treaties remove the incentive for more far-reaching arrangements, as there is no conclusive evidence to support such a contention.

The timing of the conclusion of a Treaty outlined in the draft does not only have relevance to the growth of technologies used by the super-powers. Rapid world-wide improvement in technologies should be borne in mind. An early consensus, while only two parties are directly affected, would bring about an era of peaceful use of outer space which subsequent users would have to observe, by the force of world public opinion, that would demand its retention.

PRINTED IN ENGLAND BY POPPER & COMPANY LTD, WELWYN GARDEN CITY, HERTFORDSHIRE

# THE WORLD TODAY

MAY 1982

THE WORLD TODAY, *founded in 1945, is issued under the auspices of the Royal Institute of International Affairs and published monthly by the Oxford University Press*

**Annual subscription** *Vol. 38 (1982)*
(post free)
*UK £12*
*US $34*
*Elsewhere £15*

**Single copies**
(post free)
*UK £1.20*
*US $3.40*
*Elsewhere £1.50*


*Orders may be sent to booksellers and newsagents or to the Oxford University Press, Journals Department, Walton Street, Oxford OX2 6DP, UK. Tel. 0865 56767*


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CHATHAM HOUSE



ISSN 0043-9134

# THE WORLD TODAY

ROYAL INSTITUTE OF INTERNATIONAL AFFAIRS

EDITOR: LILIANA BRISBY
EDITORIAL SECRETARY: JEAN PELL

May 1982 Vol. 38 No. 5


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# Note of the month

## THE FALKLAND ISLANDS DISPUTE

On 2 April 1982, Argentine forces seized the Falkland Islands and the Argent government proclaimed that it had recovered sovereignty of the islands. Althou Argentina has never accepted Britain's sovereignty, only since the Second Wo War has it seriously challenged the situation. As the Peronist experiment falte and eventually collapsed, Argentina became less stable and less prosperous a lost the political and economic pre-eminence it had once possessed in La America. The campaign to recover sovereignty of the Malvinas has been used successive political leaders to promote national unity and to attract internatio sympathy for Argentina as a victim of colonialism.

In international law, Argentina's claim is weak, as it tacitly acknowledg in 1948 when it rejected a proposal to refer the dispute to the Internatio Court of Justice. The increasing role of the United Nations in pressing for colonization encouraged Argentina in the early 1960s to pursue its claim throu the UN. In December 1965, UN Resolution 2065 was passed, which invi Argentina and the United Kingdom to proceed without delay with the negotiatic recommended by the UN special committee on decolonization, with a view finding a peaceful solution to the problem of the Falkland Islands.

During the next two years, preliminary talks were held with the aim of cc structing the bases for negotiation. It was evident that Argentina wanted nothi short of sovereignty, while the United Kingdom, invoking the principle of se determination, insisted that there could be no transfer of sovereignty without agreement of the Islanders. This question of consultation became the focal po of the debate. Argentina rejected the appeal to self-determination, asserting t it was secondary to the principle of territorial integrity and doubting whethe was valid in this case. Moreover, the Islanders' approval was unnecessary beca Argentina would comply with the stipulation in Resolution 2065 that their intere should be borne in mind.

While not departing from this position, Argentina did begin to realize tha would have to create the conditions under which the Islanders would want to j the Argentine Republic, for example, by restoring normal channels of communi tion. Talks held in 1970 and 1971 resulted in a communications agreement and 1974 Argentina undertook to supply oil to the Islands at mainland prices. On crucial issue of sovereignty, however, both sides remained firmly entrench Argentina persisted in its determination to establish sovereignty and in its refu to consider the wishes of the Islanders. The United Kingdom continued to ins that it would not transfer sovereignty without the consent of the Islanders, wh for their part, acknowledged that they had benefited from co-operation wi Argentina but adamantly maintained their desire to remain British.

The vigilance and very effective lobbying of the Falkland Islands' represen tives in London constrained successive British governments. During the 197

Britain proceeded to relinquish most of its remaining colonies and to run down its overseas presence, but any hint of considering an accommodation with Argentina over the Falkland Islands was met with a barrage of protests in Parliament and the press. No government was prepared to try to ride out sizeable opposition from right across the political spectrum, so each in turn reaffirmed that nothing would be done to change the Islands' status against the wishes of their inhabitants.

A further attempt to break the stalemate was made by the junior Foreign Office minister, Nicholas Ridley, who visited the Falkland Islands in November 1980 and tried to persuade the Islanders that it was unrealistic to expect the existing situation to continue indefinitely while reassuring them that nothing would be done behind their backs. He pointed out that Argentina was growing impatient at the lack of progress, that it was virtually impossible for Britain to defend the Islands, and that co-operation with Argentina would be necessary to diversify and reinvigorate the Islands' economy. The sea around the Falkland Islands contains large stocks of fish and there are good prospects for discovering oil and natural gas, but while the question of which country has jurisdiction over these waters remains unsettled, private companies are unwilling to develop a fishery, let alone to undertake oil exploration.

Mr Ridley suggested that the Islanders consider four options: to transfer sovereignty to Argentina outright; to transfer sovereignty and immediately lease the Islands back from Argentina for a period of perhaps 99 years on a similar basis to Hong Kong; to freeze the political arrangements for 25 years, during which there would be a strengthening of economic links with Argentina paving the way for negotiation of a political settlement; or to break off negotiations with Argentina. This last, Mr Ridley warned, would probably lead to confrontation. Reluctantly the Islanders chose to seek a freeze.

In February 1981, representatives of Argentina, the United Kingdom and the Falkland Islands met in New York. Argentina made a direct appeal to the Islanders, offering to guarantee their traditions and institutions and to make the Falklands Argentina's most pampered territory if there were a transfer of sovereignty. It rejected the proposal for a freeze and said that it could not be expected to continue showing unlimited goodwill. There was no discussion in the talks of the lease-back idea, but probably Argentina would not have considered it, certainly not if the duration of the lease was to be as long as 99 years. Argentina has never been willing to settle for less than transfer of sovereignty, though it has acknowledged that a period of transition would be necessary.

The next round of talks was to be in December, but because of the change of government in Argentina this was postponed until February 1982. A joint statement at the end of these talks said that they had been 'cordial and positive' and that both sides were intent on finding a solution. The two governments were preparing negotiating positions on a procedural proposal made by Argentina. A different tone was taken in a statement made a few days later by the Argentine Foreign Ministry. This said that unless the Falkland Islands issue was resolved quickly, the government would 'put an end' to the negotiations and consider itself

free to choose 'a procedure which better suited its interests'. One month later Argentine forces invaded the Falkland Islands.

Although the invasion may well have taken place precisely when it did because of the Argentine government's need to divert attention from the country's worsening economic problems, more fundamentally it was the outcome of Argentina's accumulated exasperation. Whatever the legal position, Argentina had entered the negotiations with the United Kingdom in a belief that it would ultimately obtain sovereignty. The attempts of the Argentine forces to fraternize with the Islanders after the invasion was a futile demonstration by Argentina of its willingness to heed the Islanders' interests and to build on the co-operation begun in the framework of negotiations.

In response to the invasion, Britain took both military and economic measures. A naval task force was assembled to sail for the South Atlantic. It comprised two anti-submarine groups, each centred on a helicopter carrier, and a light amphibious group, supported by two light cruisers, three destroyers and nine frigates. Up to four nuclear-powered submarines were probably also deployed. On the economic front, Britain halted exports of military goods; prohibited all imports; withdrew insurance cover for new export credit; imposed a freeze on Argentine financial assets; and interrupted a wide range of banking transactions.

There was also much diplomatic activity. The day after the invasion, the UN Security Council, at Britain's request, condemned Argentina's military occupation of the Falkland Islands, demanded an immediate withdrawal of Argentine forces and called on both the United Kingdom and Argentina to seek a diplomatic solution to the dispute. Only Panama voted against this resolution (502) while the ten countries that voted for it included several former colonial dependencies, namely, Guyana, Uganda, Togo and Zaire. Abstentions were recorded from the Soviet Union, Poland, China and Spain.

Britain also rallied support from the old Commonwealth countries: Canada, Australia and New Zealand all banned imports from Argentina, while New Zealand also banned exports and Canada withdrew all government support for exports. Hong Kong, whose situation makes it in some ways as vulnerable as the Falkland Islands, stopped all imports except those destined for China. The most telling endorsement of Britain's position was the agreement of the nine other member states of the EEC to impose an import ban.

Of Britain's main allies, the only one to remain somewhat aloof has been the United States. This is because of its close relations with Argentina, its wish not to seem overbearing to other Latin American countries, and the role of mediating between the two adversaries which requires it not to lean too far towards either of them. Nevertheless, the United States has given Britain assistance in the form of intelligence reports. In advancing its case, Britain has been helped by the fact that its conduct is generally accepted as complying with international law, and by the international isolation of Argentina. This derives from resentment at the contempt in which Argentina has tended to hold other Latin American and Third World countries, and from objections to its disregard for human rights.

Both the instruments and the objectives of British policy pose dilemmas. The

task force was intended to demonstrate Britain's resolve to re-establish its sovereignty in the Falkland Islands and so to convince Argentina to take a less intransigent stance in negotiations. On 25 April, the threat of force was shown to be earnest when British troops recaptured South Georgia, one of the Falkland Islands' dependencies. There were strong military arguments for this action, which furnished the task force with anchorage and a land base, provided the marine commandos with exercise and experience, and boosted morale.

Britain insisted that the action did not preclude continued negotiation. Resort to military intervention, however, risked undermining international support for its cause. Many of the Latin American countries have indicated that they object not to Argentina's claim to sovereignty but to the way in which it has asserted it. The use of force by Britain may incline them and a number of other Third World countries towards Argentina. Britain's partners in the EEC are unlikely to take Argentina's part but several had made it clear that they agreed to an import ban as a means of avoiding, not supplementing, the use of force.

Moreover, it is not clear what Britain could gain from a military defeat of Argentina. The present regime would fall and perhaps be replaced by a civilian (Peronist) government but no Argentine government could cede sovereignty to Britain and survive. Britain would either have to retain sovereignty by force, which would impose economic costs and weaken its potential in the Nato area, or it would have to accept a settlement for which extensive military action, at least if it entailed loss of life, would be seen in retrospect as too high a price.

Economic measures will take effect gradually. The cost of the trade restrictions will be relatively low for Britain and the countries which have backed its trade ban, since for none of them does Argentina account for more than 1 per cent of total trade and, with few exceptions, they can easily find alternative suppliers for the goods that they import from Argentina. For Argentina, however, the effects will be substantial. More than 30 per cent of its trade is with these countries and, in imposing an import ban on them in retaliation, it is shutting off access to supplies of specialist machinery which may be difficult to replace.

The financial restrictions will also have a major impact. To service its debt of $32 billion Argentina needs to borrow in 1982 $7 bn, of which about half involves raising new money and half rolling over existing loans. Even before the invasion, Argentina's economic and financial position was deteriorating, and the market had recognized this by marking up interest rates on new loans to Argentina. Britain is the only country that has formally restricted financial transactions, but the repercussions of this action, together with the extremely cautious view that banks will take of Argentina while the tension continues, will make it very difficult for Argentina to borrow new money. There is a risk that a default could be declared on Argentina's debt, though at present those concerned hope to avoid this. Apart from the OECD countries, Argentina is the third largest net borrower in the Euromarket, which is already in an uneasy state because of the serious difficulties of a growing number of sovereign debtors. An Argentine collapse would further sap confidence. If it occurred during a critical period for another debtor, the world could rapidly face the gravest financial crisis for half a century.

Britain's Foreign Secretary, Mr Francis Pym, stressed that the recapture of South Georgia did not alter the position he had set out in the House of Commons on 21 April: that the government would be prepared to resume negotiations on the future status of the Falkland Islands provided that Argentine forces were withdrawn and that satisfactory arrangements were made for an interim administration. The Islanders' wishes would, however, remain the paramount consideration. In the international presentation of its case, Britain has been emphasizing the need to maintain international order. This is judicious given the doubts of some states on the sovereignty issue, and the fact that Britain may ultimately have to make concessions on sovereignty. The basic problem will be how to arrive at a workable settlement that does not appear to condone the use of force to resolve territorial disputes.

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# Key aspects of the international economy

PETER M. OPPENHEIMER

MOST observers agree that the early 1970s mark an important watershed in world economic developments; and that since then we have been afflicted with all sorts of uncertainties and instabilities which in the previous generation from 1945 had been either absent altogether or much less troublesome. We worry today about energy prices; inflation; unemployment; our capacity to adapt to the emerging technology of micro-electronics; the future of the welfare state; the outlook for free trade; international indebtedness—and so on. The list may readily be extended and subdivided.

To understand and assess these phenomena, even partially, requires on the one hand a great deal of specialized and detailed analysis. Take for example unemployment. Despite widespread investigation over a number of years, we do not adequately understand why unemployment in the OECD countries has since the early 1970s been so high by comparison with the previous two decades. The simplest answer is to say that it reflects the weaker trend of economic growth and industrial investment. But this is clearly not the whole answer. Factors on the supply side of the labour market have also been at work. More women have sought paid employ-

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ment. There have been demographic bulges or 'blips' in the growth of the labour force. Some developments may have either a demand-side or a supply-side explanation: if people take longer than before between leaving one job and finding another (and this typically accounts for a large part of higher unemployment figures), then this may reflect the slackness of the labour market and the difficulty experienced by employees in finding a vacancy; but it may also reflect a willingness to take one's time about finding another job, a willingness facilitated by the generous arrangements for temporary income maintenance under the social security systems of most industrial countries. To a moderate extent, there may be an element of fraud in the unemployment statistics, with some people remaining registered as jobless who are in fact self-employed in the 'black economy'.

Detailed researches on matters of this kind are—fortunately for economists—regarded as indispensable aids to policy-making by modern governments, and indeed by many large corporations too.

But, on the other hand, there is also a strong case for standing back and trying to discern the shape of the wood as a whole, and not merely the height and foliage of individual trees. This is so partly because the different parts of the economic system are interdependent and are liable to react upon one another in ways not fully anticipated beforehand; and partly because, unless we take a broad view, we are liable to overlook the lessons which can be learned from economic history, as against economic analysis by verbal logic or mathematics. These lessons, I should add, include the faculty or sense of judgement which is needed in applying the results of abstract logical analysis to the real world.

In this spirit, I suggest that for an understanding of the way in which the world economy is moving in the 1980s we look at two things: first, the changing geographical pattern of economic growth; and, secondly, the relationship between the private sector and the economic functions of government, particularly in the older industrial countries.

## World growth pattern

The former topic—the geographical pattern of growth—evidently involves the North-South debate, OPEC and the newly industrialized countries (NICs) as well as events in the North Atlantic region and Japan. What are the key elements of interdependence here? In order to sketch my own reply to this question, let me briefly summarize three other answers, which I do not think get the balance quite right.

First, there is the viewpoint recently adopted by the Cambridge Economic Policy Group. They argue[1] that the oil price rise of 1973–4 was the key shock which caused Western economic growth to slow down and which therefore—because of the continuing preponderant role in world markets of the OECD countries, as well as the direct effects on LDCs of higher oil prices—worsened the economic outlook of the Third World (or oil-importing developing countries). Moreover, they argue that the policies of monetary and fiscal restraint imposed by many OECD countries at the start of the 1980s are unhelpful, because, while failing in

[1] *Economic Policy Review*, Vol. 7, No. 2, December 1981.

their objective of eliminating inflation, they are depressing economic activity further and thereby causing a temporary and artificial oil glut on world markets. This glut is holding down energy prices and thus enabling energy users—which is all of us—to deceive themselves about the need for intensified efforts to economize on energy and to develop new sources of supply.

It is splendid to see the Cambridge Group extolling the virtues of the price mechanism, and what they say about unduly restrictive financial policy and about the prices of at least some forms of energy is persuasive, even allowing for the major time-lags involved in securing economies of fuel use. Household prices of petrol in many Western countries have not kept pace with the movement of producer prices. Increases in consumer-country taxes have been limited, so that producer revenue now forms a much larger proportion of the final price. And in the United States, Canada and to some extent the United Kingdom, governments have been slow to raise the domestic price of natural gas to the world-market level.

Where I mainly disagree with the Cambridge Group is in their suggestion that OECD-area economic growth would have shown little decline without the rise in energy prices, and, moreover, that this growth is of crucial importance for Third-World economic development. There is significant statistical evidence that the underlying growth of output in Western Europe and Japan had slowed down well before 1973, perhaps three or four years earlier. If one takes a trend for the growth of real gross domestic product, both total and per capita, in the OECD countries from 1960 to 1973, it turns out that the year 1973, despite marking a cyclical peak with rampant inflationary pressures, was not above the long-run trend, but rather slightly below it. This is a strong indication that the trend itself is a mistaken construction; to put 1973 above trend, one must suppose that a different, somewhat flatter trend had set in several years before.[1] There were also signs of the return on capital in some major sectors falling in the early 1970s, not as a result of the general recession, but in advance of it. The biggest of these sectors is construction, where excess capacity emerged on a large scale with the tapering off of the 'holiday home' and office-building boom.

As for economic growth in the Third World, the most striking single fact about the 1970s is how little it was affected. To quote the summary statement in last year's Annual Report of the GATT:

> 'The annual rate of increase in [the] combined GNP [of the oil-importing developing countries] declined only slightly from 5½ per cent on average per year between 1963 and 1973 to about 5 per cent between 1973 and 1980. The comparable figures for the industrial countries are 5 and 2½ per cent respectively. While differences among individual countries were large, the growth of investment in the oil-importing developing countries as a group was on the whole well maintained in the more recent period, and their average annual rates of growth of imports and exports, at 6–7 per cent in volume, remained close to those of the preceding decade. This generally encouraging

[1] This point has been emphasized by, among others, the Bank for International Settlements: see, in particular, its 49th Annual Report, 1979, pp. 26 f. The Cambridge *Economic Policy Review* does not mention it.

> performance was possible because the oil-importing developing countries channelled the burden created by the deterioration in their terms of trade and the slowdown in the industrial countries' growth since 1973 into an increase in their foreign indebtedness and a sharp slowdown in the growth of per capita consumption [to 1 per cent per annum in 1973–80, as against 2½ per cent per annum in the preceding decade].'[8]

It follows, incidentally, that the non-OPEC developing nations have on balance helped to sustain output and employment in the industrial countries. While excess capacity and adjustment problems in some branches of OECD industry—steel and shipbuilding, for instance—have been aggravated by the expansion of these sectors in less developed economies such as India, Brazil, South Korea and Taiwan, such adverse effects have been smaller than the combined stimuli given to other branches of OECD industry by less developed countries' purchases. This is the other side of the coin to the increase in the LDCs' debts. As will be emphasized below, it is up to the industrial nations to maintain trading conditions in which less developed countries are able to earn the foreign exchange that they need for servicing these debts.

In thus rejecting the view that Third-World development is crucially dependent on OECD-country growth, I have also rejected the second of my three conceptions of North–South relations, namely the one recently reiterated by the Brandt Commission, to the effect that the gap between rich and poor is continually widening, and that drastic policy efforts are needed to reverse this trend if mounting political and even military conflict between North and South is to be avoided. To be sure, there are individual areas of the Southern world, such as the Sahel region of Africa and perhaps Bangladesh, where the problems of poverty currently appear insurmountable. (And, incidentally, for that very reason these areas do not provide the main focus of North–South conflict.) But for the South as a whole the facts of the 1970s do not warrant such a gloomy conclusion. Admittedly, the South has not yet made much progress towards catching up with the North on a per capita basis: the figures which I cited from the GATT report referred to total, not per capita, GNP; and population is still growing much more rapidly in the South (hardly at all in the North, in fact). But against this, one must point out that a modest increase of, say, 5 per cent in per capita income means far more for effective living standards in a poor country like India or the Philippines than in an already rich area like the European Community or Switzerland.

## The OPEC view

The third picture of North–South relations which I want to mention is the OPEC view that, whereas the Brandt Commission model may have applied in the past, the OPEC governments have shown the South how to break out of the vicious circle of poverty, and are now spearheading the march towards a new international order in which there will be much greater equality both of wealth and of decision-taking power in world affairs.

[8] *International Trade 1980–81*, pp. 15–16.

There is no denying that OPEC, and especially Saudi Arabia, now have a larger voice in world affairs than before. The low-absorbing OPEC states have also lent substantial sums of capital to their friends and allies in the Third World. And, perhaps more important, migrant labour in the Arabian Gulf from Egypt, Pakistan, India, South Korea and elsewhere is helping to spread the fruits of development by means of wage remittances, just as formerly Italian and Spanish and now Turkish and Yugoslav workers have long been engaged in the same practice in Western Europe.

Nevertheless, the OPEC claim about its role in world development is to a large extent political sloganeering. At bottom, OPEC's economic interest in high oil prices is in conflict with that of the oil-importing less developed countries (although the latter have been hesitant to say so for political reasons). The amount of aid given by the OPEC low-absorbers has been quite limited in relation to their balance-of-payments surplus. And it is only the economic élan of such nations as Brazil, South Korea or the Philippines that has enabled—and encouraged—them to play a leading role as borrower nations on a commercial basis in the face of the OPEC surpluses. (Perhaps they have an advantage over older industrial countries in building up their industrial sector after the emergence of high energy prices and thus having a greater incentive to develop on an energy-saving basis; but this is hardly something on which OPEC can legitimately congratulate itself.)

The OPEC picture also overstates the role of the OPEC cartel itself in raising and maintaining oil prices. Basically, what OPEC did was to capitalize on a market trend. By the early 1970s, oil had shifted from a buyer's to a seller's market; and indeed there has been a shift in the terms of trade in favour of primary products in general.[4] Throughout the 1970s, the pricing policy of OPEC countries has been heavily influenced by the behaviour of oil prices on the free market in Rotterdam—though one should add that oil producers have on occasion succeeded in manipulating the Rotterdam price upwards by withholding supplies.

How, then, should we look at the present global pattern of economic growth? Basically, economic development is a centrifugal, not a centripetal force. At any one time it may be centred on a particular country or region, which draws in resources of capital and labour from elsewhere. But sooner or later it bursts outward, in search of new markets, new outlets for saving and new sources of raw materials and other inputs, including labour. In the later 19th century, industrialization spread outwards from Britain to the rest of Europe and to North America, and echoes were also felt in other countries such as Argentina, Australia and South Africa. Today, we have in the past decade witnessed a partial but significant shift in the centre of gravity—the *Schwerpunkt*, if I may borrow a good German word—of world economic growth away from the older industrial countries of the OECD towards, on the one hand, exporters of oil and of one or two other primary materials such as phosphates and, on the other hand, the newly industrializing countries whose rate of expansion has been relatively so well maintained since 1973.

[4] See, for instance, C. A. Enoch and M. Panic, 'Commodity prices in the 1970s', *Bank of England Quarterly Bulletin*, 1981.

It is important to stress this element of shift. The notion that global economic growth has *slowed down* is an unduly Europocentric, or OECD-centric one. That is not how things look from the vantage point of Malaysia or South Korea or Venezuela. I should also add that these countries are not as anxious as most of the OECD about inflation or unemployment or the future of the welfare state, because these difficulties either do not exist or, where they do exist (like inflation in Brazil), seem of secondary importance.

Of course, such a shift of emphasis does not change the whole balance of the world economy overnight. The international monetary system is not run by Saudi Arabia despite its fabulous accumulation of financial wealth; because in order to keep that wealth, it has to operate within the confines of an existing system with numerous commercial and political constraints. The share of the oil-importing developing countries in world exports of manufactures was still only 9 per cent in 1980 (up from 7 per cent in 1973). And most of the world's technical innovation —notably in electronics, chemicals and engineering—continues to be generated in the OECD area for the time being. It remains true none the less that the global balance has shifted; and that the OECD world, having helped to spark off economic development in other parts of the world through its own outward-looking economic dynamism, will have increasingly in the future to respond to developments and structural changes initiated elsewhere. This is, of course, a less comfortable position than that of the initiator of change—harder to plan for economically and less pleasurable politically. But it requires a similar degree of flexibility in economic structures and policies.

**Government spending and the private sector**

At this point, we must turn to another key aspect: the relations between governments and markets, or governments and the private sector. Here, as in relation to economic performance, there is today a sense of discomfort in the OECD world, not fully shared elsewhere, and stemming from the fact that formulae and approaches which appeared tried and tested in the 1950s and 1960s have broken down or turned sour since then. Putting the matter at its broadest, there was in the 1950s and 1960s a sense of harmony between the increased relative size of government spending (by comparison with earlier generations) and the increased responsibilities taken on by governments in the economic sphere, notably in safeguarding high employment and economic stability. That sense of harmony has to a considerable extent been eroded.

Government spending relative to GNP remained on an upward trend through the 1970s, and in 1980 ranged from a low of 32–33 per cent in the United States and Japan, to 44–46 per cent in the large European countries and over 50 per cent in the Scandinavian states and the Netherlands. Yet governments now tend to see their expenditure commitments as a burden more than an opportunity. They are 'locked in' to social security systems which entail huge outlays on pensions, unemployment benefits and other transfers; and they are similarly 'locked in' to expenditure programmes on health, education, defence and other public goods all of which make pressing claims on national resources, but which the taxpayer-voter is none the less reluctant to fund.

Much of this reflects a series of structural phenomena emerging from the prolonged boom of the 1950s and 1960s. Public-sector spending tends to be more on services than on goods. As incomes rise, services, being labour-intensive, become relatively dearer. And, in addition, domestic demand patterns, which in earlier stages of economic development favour manufactured and other goods rather than 'primitive' services which the goods replace, subsequently shift back once more to services at a higher, sophisticated level (education and health services, as well as private-sector services such as professional and scientific work, tourism, entertainment and so forth). On the side of transfer payments, social security arrangements which seemed economic when unemployment stood at two or three per cent of the labour force look less so when unemployment is at 8 per cent. Also, a gradually ageing population, which most OECD countries are or will be experiencing, implies that old-age pensioners become a relatively greater burden on the incomes of those at work.

While public authorities are thus being pushed into some unpleasant choices in the determination and financing of public expenditure, they also seem to have less scope for active leadership in the macro-economic sphere. To revert first to the international economy, the financing of OPEC payments surpluses and corresponding deficits in other areas of the world has fallen predominantly upon the private banking systems of the West; they have made, on the whole, a remarkably good job of it, channelling funds to countries whose prospective growth performance and/or possession of major oil deposits or other minerals promises a satisfactory return on money lent to them. In these circumstances, governments and central banks and the International Monetary Fund have been largely confined to the 19th-century watchdog role of preventing over-trading by particular banks or over-lending by the banking system to particular customers. The Polish case is the big example so far of failure to fulfil the latter objective. In that case the monetary authorities have the responsibility of ensuring that confidence in private banks is maintained. Important as these functions are, and remarkable as the effectiveness of the international money markets has been, there is something chastening about the way in which public authorities were decisively overtaken by events in the aftermath of the 1973–4 rise in oil prices.

It is possible that official bodies, notably the IMF, will again play a larger role in the financing of payments imbalances in the future. The likelihood of this is, however, lessened by the facts that the monetary system is (and has been since 1971) based on a regime of floating rates among the major currencies and that the Fund has been largely deprived of any supervisory trusteeship role over the system. This has reduced its authority.

### Trade, inflation and economic management

In any case, the most important role of official bodies in relation to international debts and the monetary system in the years ahead will lie, somewhat paradoxically, in the field of commercial policy. The combined debt of less developed countries rose from under $100 billion at the end of 1972 to over $500 billion (of which $100 billion was owed by OPEC countries and the rest by others) at the end of 1981. In addition, Eastern European states borrowed about $75 billion. Until 1977, debt

service (interest plus amortization) on these sums fluctuated between 11 and 15 per cent of the debt outstanding. Thereafter, rising interest rates and shortening maturities increased the proportion to 20 per cent in 1980–1, i.e. to over $80 billion for non-OPEC LDCs and $15 billion for Eastern Europe. The proportion is likely to fall back in the future, though not perhaps to its pre-1978 levels. At the same time, the debt totals will continue to increase.

Meanwhile, debt service payments have risen not merely relative to the debt outstanding but relative to the debtor areas' exports of goods and services. For the non-OPEC LDCs, this debt service ratio also varied on aggregate between 11 and 14 per cent in the years 1973–7, and thereafter climbed to about 20 per cent in 1981. As is well known, the debts are heavily concentrated in a few countries, headed by Brazil and Mexico, whose debt service ratios are some two-and-a-half times higher than this. Also, the $80 billion figure for LCDs' debt service probably represented 75 per cent of their exports of manufactures in 1981 and about 100 per cent of their manufactured exports excluding intra-trade within the non-OPEC LDC group. Much of the future growth in LDC exports must come from the manufacturing sector, and it is here that the governments of OECD countries are most subject to pressures for more protectionist policies as a means—or perhaps one should say an apparent means—of safeguarding jobs. In order to maintain the viability of the international debt structure, and hence the soundness of the international financial system, OECD governments must continue to resist such pressures and, indeed, must open their economies more fully to imports from LDCs and Eastern Europe than they hitherto have.

In the conditions of the 1960s, one would have had no significant doubts about the determination and ability of governments to maintain the appropriate freedom of trade. If some doubts exist today, it is largely because of the erosion of governments' ability to manage domestic economic activity with fiscal and monetary weapons (including the exchange rate). This erosion is connected with inflation and with the functioning of the labour market—though the nature of the connections is complex and is hotly disputed among economists. There are at least three strands of argument which need to be taken seriously.

First, the Keynesian scheme of thought (which underlies the use of demand management policies geared to employments levels) assumes that markets, especially the labour market, behave in such a way as to keep money-wages and prices reasonably stable, so long as excessive pressure of demand on resources is avoided. This assumption generally ceased to be valid some time around 1970. Since then, governments in most industrial countries have been confronted with inflation on a scale which appears to necessitate fairly restrictive financial policies even at times of substantial excess capacity in the economy—and necessitates them not so much in order to lower inflation rates (though that is, of course, an objective) as merely to prevent further acceleration. It is not clear how the dilemma can be resolved. The need to lessen inflationary expectations is widely acknowledged. But there is slight agreement as to how this may be accomplished in any given case—whether incomes policy can help, or whether it is simply a matter of keeping unemployment up for an unforeseeable period of years.

Secondly, people learn to live with inflation, and so one might suggest that the objective of eliminating it is misguided if the costs of doing so in terms of lost output appear large or prolonged. This, however, overlooks the point that permanent inflation itself gives rise to permanent welfare losses, and these may be large relative to the transitional costs associated with the squeezing out of inflation. Probably the most important permanent losses (again emphasized in recent GATT reports) stem from the weakening of the price system as a means of guiding resource allocation and hence ensuring that resources made redundant in one part of the economy are able fairly promptly to find alternative employment elsewhere.

The source of the trouble is that an overall inflation rate of, say, 10 per cent does not involve all prices moving gradually and uniformly upwards at this rate; rather, it involves erratically timed movements of individual prices, some of them by more and some by less than the average. It therefore becomes difficult to distinguish a relative price change that is likely to last from a movement that is merely part of the general inflationary process. Price uncertainty increases. The situation is aggravated by the large fluctuations observed in some floating exchange rates and the consequent swings in domestic prices of traded goods. The result has been cynicism and chronic lack of confidence among businessmen, who are therefore failing to invest on the scale needed to effect long-term economies in fuel, automate production and so forth. Profits in turn remain depressed, especially in the capital goods sector.[5]

One may emphasize in this context that higher unemployment in the 1970s has been associated precisely with flagging investment and a slowdown in productivity growth, and not with the accelerated productivity growth feared by opponents of micro-chips and robotization. Like every other technological advance in history, micro-electronics will be a net creator of jobs, though, of course, requiring changes in the pattern of employment. A threat to jobs may face those who lag behind in the application of micro-chips, but not those who keep up with the leaders.

The third strand of argument puts less emphasis on inflation as such (though it originated from consideration of how inflation alters economic behaviour) and focuses more generally on the relation between private economic agents and the government. I refer, of course, to the splendidly subversive concept of 'rational expectations'. This rests on two innocent-looking premises. First, individuals order their affairs to suit their interests in the light of all information and knowledge available to them. Secondly, there are no significant monopolies of economic knowledge, and the market has at its disposal the same models of the economic system as the government. If it does not have them initially, it learns them from experience. From these premises it is concluded that systematic government policy is unable to influence economic events, being already anticipated and allowed for by the market. Only unanticipated measures can alter behaviour, and unanticipated measures are *ex hypothesi* random and irrational ones.

[5] The idea, propagated by some economists and others in the UK, that recent unemployment is basically due to rigidity of real *wages* is, in my view, much less persuasive than the foregoing argument that prolonged inflation has rendered the price system *as a whole* less responsive and effective.

The argument attributes stagflation in the OECD area during the 1970s to random or irrational government policies which have left rational market forces unable to maintain the system on an even keel as they did in the 1950s and 1960s.

To build some anticipation of government policies into models of market behaviour is an important contribution amply justified by evidence (for example, the efforts of business in several countries after major credit squeezes in the late 1960s to build up a larger cushion of liquid assets in order to protect themselves against a similar squeeze in future). But many of the rational expectations or 'new classical' theorists go too far. They overrate markets and undervalue discretionary stabilization policy. Markets are capable of short-sighted and destabilizing behaviour on their own account for several reasons: information about the economic system is limited, its digestion may take a long time and actions or outcomes which are in the long-term collective interest may not be in the short-term interest of individuals. Such shortcomings—well illustrated by speculative bubbles in financial markets—can be counteracted, in the 1980s no less than before, by well-judged policy moves.

One excellent illustration is the decision by the Swiss National Bank in the autumn of 1978 to abandon temporarily its restrictive monetary target and to intervene in the foreign exchange market on whatever scale was necessary to bring the Swiss franc exchange-rate back down to a level considered reasonable for Swiss industry. The results included, admittedly, a faster rate of inflation in the years 1980–1—but also a healthier trend of output, profits and employment in the Swiss economy. Another example is the mixed strategy of monetary targets and wage restraint developed gradually in the United Kingdom by the Chancellor of the Exchequer, Denis Healey, in the years 1975–9. This lowered the rate of inflation, while still facilitating a slow expansion of output.

Some economists draw a contrast between such overtly pragmatic approaches and attempts to adhere rigidly to monetary rules or other automatic formulae. The contrast is misleading. Attempts to follow rigid rules are no less experimental than any pragmatic or flexible response to events—as Mrs Thatcher's experience in the United Kingdom strikingly illustrates.

The trouble is that, whereas inflation and rational expectations have undermined the Keynesian apparatus of economic management, they have not put in its place an alternative that is clear-cut, effective and politically viable. Ten years ago most of us thought of governments and central banks as driving the economic bus—erratically perhaps, overambitiously at times, buffeted by random shocks, but still basically driving. Today we are no longer so sure. The governments of Singapore and Taiwan may have worked out a dynamic new relationship and modus vivendi with their entrepreneurs and wage-earners. In the OECD area, however, governments are much less confident and in control than they used to be. And the need for flexibility in responding to economic developments initiated elsewhere, which is perhaps the prime need in the industrial economies in the current generation, appears to apply at least as much to our governments as to ourselves.

# Arab schisms in the 1980s: old story or new order?

MOHAMMED ANIS SALEM

OVER the last decade, Arab politics have become less comprehensible, less predictable and more complex than they used to be. Recently, an Arab summit has collapsed in the face of a Saudi peace plan, an OAPEC[1] meeting has dispersed over a Tunisian request to join that group, and inter-Arab differences over the Sahara have spilt over into, and disrupted, an Organization of African Unity meeting. From the Atlantic to the Gulf it is difficult to find two neighbouring countries which have amicable relationships untarnished by some historical dispute or rivalry over a host of other issues. Parallel to these phenomena, there seem to be few Arab regimes that can console themselves with the thought that they, at least, enjoy internal stability. The continuing Lebanese civil war, the Islamic challenge to the Syrian regime, the assassination of President Sadat, the Mecca incident and the Bahraini arrests, to mention a few, are reminders that all is not well on the various Arab home fronts.

But are these phenomena mere repeat performances or do they represent a 'structural change in the Arab system'? What, then, has happened to the Arab nationalists' dream of unifying their countries into the 'sixth power' of our world?

It is indeed possible to argue that there is nothing new in the latest bout of inter-Arab disagreements. Take the end of 1963 as an example, just before Nasser called for the 'first'[2] Arab summit conference. Egypt and Saudi Arabia were in confrontation over the Yemen where Egyptian troops were bogged down. Egypt, Syria and Iraq were feuding among themselves after the failure of the trilateral unity talks between them. Jordan had hostile relations with both Egypt and Syria. Algeria and Morocco had clashed over their borders.

The five main issues of dissension that have divided the Arab countries in the 1950s and 1960s and remain in contention today are:[3]

(i) The Arab responses to Israel and the Palestinian problem generally; (ii) Relations with the West or East, i.e. whether countries are or should be non-aligned as opposed to joining Western pacts or strengthening their ties with the Soviet Union.

[1] Organization of Arab Petroleum Exporting Countries.

[2] Although it is contemporary practice to consider the 1963 summit as the first Arab meeting of its kind, it is, in fact, the 1945 Inshas meeting that should be considered as such.

[3] Gameel Mattar and Ali el-Din Hillal, *Al-Nizam al-iqlimi al-arabi, dirasah fi -l- alaqat al-siyassiyyah al-arabiyya* (The Arab Regional Order: a Study in Arab Political Relations). (Beirut: Centre for Arab Unity Studies, 1979), p. 35. Although this work puts the issues in a different order and does not mention the historical or territorial area of conflict, it remains a major contribution to the Arab literature on the subject.

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(iii) Arab unity; various degrees of commitment to it, disagreement over means of achieving it, and the suspicion that moves towards unity are attempts at consolidating an axis directed against other Arab countries; (iv) The socio-political system; whether it should be socialist or free enterprise, republican or royal, 'progressive' or 'reactionary'; (v) Historical and territorial conflicts, related to inherited frontiers, the legitimacy of ruling families or, indeed, countries.

The dynamics of inter-Arab strife over these issues have exhibited characteristics that are similar to those we witness today. Apart from the volatility and cyclic revival of conflicts after periods of dormancy, inter-state relations have rapidly oscillated from extreme enmity to close co-operation, even attempts at unity, or back in the opposite direction. Arab differences have seemed to defy categorization. In the past, they have arisen between 'progressive' and 'reactionary' regimes as much as between different 'progressives'; indeed, there were times when relations between Nasser's Egypt, for example, and Hussein's Jordan or the Saudis were better than those between Nasser and the Syrian Baathists. Today, one may compare Iraq's bitter relations with Syria to Baghdad's quasi-alliance with Amman. Yet another symptom that seems to be a constant in inter-Arab divisions is that they reflect a mosaic-like combination with more than one issue running through them; a factor that makes reconciliation difficult to achieve, and short-lived if realized. For example, Saudi-Jordanian relations in the 1940s and 1950s were influenced by a host of issues ranging from the Saudi-Hashemite rivalry to Saudi opposition to the Greater Syria project (to unite Syria and Jordan), the Arab-Israeli conflict, and the drive to contain Egyptian and Soviet influence. Similarly in the 1970s, Egypt has been separated from most of the Arab world because of Sadat's peace policy towards Israel. But at the same time, the Iraq–Iran war created a second division within Arab ranks: Syria, Algeria, Libya, South Yemen and the Palestine Liberation Organization see the Iraqi move as contrary to Arab interests. In contrast, the Jordanians sided with the Iraqis; King Hussein recently announced that his troops would reinforce the Iraqi forces. Saudi Arabia and the Gulf states have been more cautious in their support, although they extended financial aid to Baghdad, provided it with supply routes and, more recently, have come out more strongly in favour of solidarity with the Iraqis. Meanwhile, Syria accuses Jordan of harbouring Moslem Brotherhood terrorists and shares with the PLO suspicions about King Hussein's intentions on the Palestinian question. Intense rivalry separates the Baathist rulers of Syria and Iraq. And Qaddafi, having repaired his relations with Saudi Arabia after attacking its 'reactionary regime' because it had 'desecrated' the Islamic holy places by an American military presence, returned to attack the Saudis because of their plan for peace with Israel and their oil-production policies.

In addition, there were also the military confrontations between Morocco and Algeria, Egypt and Saudi Arabia, Egypt and Libya, Jordan and Syria, the two Yemens, etc. And there were the breakdowns in the internal structure of states, the civil wars of the Arab world that involved the external implication of Arab or non-Arab actors: Lebanon in the 1950s, Yemen in the 1960s, Jordan's Black September in 1970.

**A new order?**

The fact that there are numerous historical precedents to current Arab conflicts, that these conflicts centre around similar issues, with similar dynamics, that violence erupts repeatedly between and within states, may be seen as sufficient evidence that there is nothing new in the Arab world today. But this conclusion is strongly rebutted by a body of opinion that goes beyond the simple description of Arab politics to analyse the structural characteristics of the Arab system. This school holds the view that a new Arab order has emerged in the 1970s and will further crystallize in the 1980s.[4] This view is worth considering in detail because it attempts to account for new developments in the area and because it seems to be gaining ground among Arab analysts.

In 1951, Prince (later King) Faisal was pronouncing a mere truism when he told a British diplomat that Egypt was the leading Arab state that could not be opposed.[5] Three decades later, one of the more important changes within the Arab system is the erosion of that country's centrifugal power under the combined impact of the 1967 defeat, the attrition of prolonged military mobilization, Nasser's death, and the Arab opposition to Sadat's peace policy. Parallel to that, the growing wealth of other Arab states, particularly the oil producers, put them at the centre of regional and international attention and reinforced their claim for Arab leaderships. In short, the Arab system has moved from monolithism towards polycentrism, with the 'new' categories of Arab states more complex than the previous division into 'progressive' and 'conservative' (or 'reactionary') countries.

At the same time, higher-income countries with small populations, like lower-income countries with larger populations, have found it difficult to meet the military, diplomatic, and economic prerequisites of wielding clout in the contemporary Arab world. This situation of 'status inconsistency'[6] is particularly relevant to the evaluation of the political capabilities of the super-rich Arab states, where abundant wealth is not always reflected in regional predominance. (The inability of the Saudis to muster Pan-Arab support for the Fahd plan was a case in point.)

In different ways, no one Arab state has the qualities that seem necessary for assuming the unrivalled mantle of the Arab world today: the combination of charismatic leadership, ideological credentials, wealth, technical élite, manpower resources, cultural importance, attractive political system and 'success record' on the Palestinian issue. Thus, what we are seeing is not a competition over the succession to Egypt's leadership, but the symptoms of the inability of any single

[4] The Egyptian quarterly, *Al-Siyasah al-Dawliyyah* (International Politics), October 1980, published a special section on 'A futuristic view of the new Arab order', which is a selection of papers presented at a seminar held in co-operation with UCLA in July of that year on the theme of relations between rich and poor countries in the Arab world. Also by this author, 'A new Arab order? The schisms in the Arab world today', unpublished paper, December 1980. An edited version of this paper has been published in *South*, April 1981, under the title 'Arab unity: the shifting sands'.

[5] FO 371/91762—(ES 1053/6—memo dated 14 August 1951).

[6] Michael David Wallace, *War and Rank among Nations* (Lexington, Massachusetts: D. C. Heath, 1973), *passim*. Mohammed El-Sayed Selim, 'Munaqshah naqdiyyah', *Al-Siyasah al-Dawliyyah*, October 1980, p. 91.

Arab state, Egypt included, to replay a centrifugal role in Arab politics today. What remains possible is the formation of one axis or another in a series of coalitions that represent the coincidence of the interests or outlooks of two or more states over a certain issue for a limited period of time in ever changing patterns. This implies that a high level of competition, instability, and possible violence within the Arab world may be here to stay for some time.

## New stratification

Meanwhile, the stratification of the Arab world seems to be settling into five groups, based on socio-economic indices:[7]

To the first group belong oil-producing states whose balance of resources make possible ambitious development plans; Iraq and Algeria represent this group. Both have 'medium-size' populations (12·7 million and 19 million respectively), GNP of circa $15 billion, per capita incomes ranging from $1,260 to $1,860 and sizeable armed forces. They boast technical and administrative élites, trained manpower and a growing industrial drive. Both countries have had experienced leaders who developed personality cults and who presided over single-party systems of socialist varieties, with strong Arab aspirations. However, the lack of 'excess' oil and thus excess financial resources, their long involvement in problems with their neighbours, the relative distance of Algeria from the hub of Arab politics in the East, and the internal brutality of the Iraqi regime, have combined to curtail the influence of both states within the Arab world.

The second group includes Arab oil producers with small populations, high per capita incomes and excess oil and financial resources (estimated at over $100 billion for 1980 alone). The total of the inhabitants of this group is about 15 million, with little agricultural activity, and a high reliance on 'experts' and labour from other countries to man institutions ranging from schools to oil wells. Per capita income ranges from around $7,000 to treble that figure. This group includes Saudi Arabia, the Gulf states and Libya. The inability of their economies to absorb the funds resulting from oil production gives these countries immediate influence within the Arab world; they can finance the 'confrontation states' that border on Israel, provide the capital for joint ventures, or give development aid to Arab or Third World countries.

The third group is that of small, relatively better-off non-oil producers. The member states include Morocco, Syria, Tunisia, Jordan, Lebanon and Djibouti. (Some would add North Yemen.) Here per capita income exceeds $500 and in many cases reaches $1,000. The economies of these countries are based on a mixture of agriculture, trade and tourism, with the exception of Morocco which depends largely on its potash exports. In many ways, most of these countries could afford to stay away from the mainstream of Arab strife, but this remains a theoretical and elusive ideal: Morocco is involved in the Sahara against the Polisario, Syria in the Lebanon and the conflict with Israel, Tunisia feels threatened by

[7] For a different categorization see John Waterbury and Ragaei El Mallakh, *The Middle East in the Coming Decade: from Wellhead to Well-being?* (New York: McGraw-Hill, 1978), pp. 27–39. Also see Mattar, *op. cit.*, pp. 29–33.

Qaddafi, Jordan is balanced precariously between inter-Arab competition and the Palestinian question, and Lebanon has been shattered by civil strife and divided in all but name.

The fourth group is perhaps more representative of the popular image of Third World countries. These are the 'have-nots', the 'poor brothers', the potential 'satellites', which require economic assistance and threaten to become trouble-makers if it is not forthcoming. GNP per capita is below $500, their populations are overwhelmingly rural and illiterate, and their future prospects appear to be grim. Sudan, Mauritania, South Yemen and Somalia represent this group.

Finally, there is Egypt which remains resistant to these four groups. On the basis of per capita income, it belongs near the bottom of the Arab league, but structurally it possesses a complex economy with high-yielding agriculture, a large industrial base, an abundance of qualified manpower and a huge population (44 million). It possesses the largest Arab military machine and enjoys cultural and historical pre-eminence within the Arab world. About 2 million Egyptians work in other Arab countries; their remittances, together with Egypt's oil, Suez canal tolls, tourism and Western aid keep the economy afloat. There remains, however, a contradiction between Egypt's attempts to continue playing its role of political pre-eminence and its need for massive foreign aid.

The expansion of the membership of the Arab system, from seven states in 1944 to 21 members at present, has brought further complications. In the Arab-Israeli context, the emergence of the Palestine Liberation Organization as an actor on the regional and international scenes, accentuated the contradictions between the requirements of a revolutionary movement and the obligations of states. While many Arab states accepted UN Resolution 242, the PLO did not. The PLO felt violence against the occupier was legitimate, but neighbouring Arab states had to calculate Israel's reaction to Palestinian attacks. While the PLO sought bases in the Arab confrontation states, these states were reluctant to surrender their absolute authority within their borders. In the south, Somalia and Djibouti brought with them their problems with Ethiopia. In the west, Mauritania's entry into the Arab League was followed by the struggle over the Sahara. Turkey and Pakistan sought closer relations with Arab states, which took on additional dimensions in the case of the latter after the invasion of Afghanistan. The development of special relations with non-Arab neighbouring states diluted the Arab character of the area's politics. The Arab system seemed to be transforming itself towards a less Arabic one.

However, within this de-Arabization process there were two challenges of historic proportions that faced the Arab system: the growing Arab acceptance of peace with Israel and the emergence of the Islamic regime in Iran. The first took shape through a cumulative process of Arab agreement to UN Resolution 242, Palestinian acquiescence to the concept of a mini-state on the West Bank and Gaza, and the various peace efforts undertaken over the years. This process created convulsions within the Arab system which were set in motion by the Sadat peace initiative (November 1977), the Camp David agreements (1978), and the Egyptian-Israeli peace treaty (1979).

Beyond the problems and agonies of securing Palestinian rights, the occupied territories and Jerusalem, the Arab world faces a series of other questions concerning its relations with Israel: how to harmonize coexistence with it, answer its demands for new structures in the area (common markets etc.) and engage in a political dialogue with Zionist ideas that contradict basic premises held by Arab nationalists.

The Zionist ideas of a historical right to Palestine, a special nationalist bond amongst Jews, the right to colonize Arab land and discrimination between Jews and Arabs in Palestine have been constantly rejected by Arab thinkers. Furthermore, Arab acceptance of the idea of a Jewish state involves the acceptance of a confessional element which is anathema to Arab nationalists. Many of the writers and politicians who promoted the Arab nationalist idea were in fact Christian Arabs (George Antonius and Michael Aflaq, for example) who saw Arabism as a force transcending religion. Many Arab intellectuals view with suspicion Zionist ideas that present the area as a combination of separate cultures, a 'mosaic', with little in common between the pieces, and they fear the fragmentation of the Arab world into sectarian and ethnic entities.

The second challenge to the Arab world is that of its relations with Iran. The difficulties existed during the Shah's reign. Neither side was able to produce a satisfactory formula for their relations in the Gulf; was it Arab or Persian? Who was entitled to the three islands occupied by Iran in 1971? Would the Arabs accept Iranian-Israeli co-operation? Then, in January 1979, came the fall of the Shah under the onslaught of Islam. This created a challenge to Arab regimes with shaky ruling families, which based their legitimacy on traditional notions, experienced growing Islamic movements, or had Shiite minorities or majorities that might be attracted to the Ayatollah. Furthermore, Iran's assertion of Islam, its initial adoption of the Palestinian problem and the PLO, and its attacks on 'corrupt' rulers in Arab countries meant, in effect, that it was claiming a role within the Arab system. The defensive Arab Gulf response was the establishment of the Gulf Co-operation Council,[8] while its offensive response was the support extended to Iraq's military effort against Iran.

### Geopolitical implications

The issue of Arab relations with non-Arab neighbours may be seen as a competition between two broad movements in the area: Arab nationalism and the 'Middle East system'.[9] The first represents an integrating, secular and non-aligned movement 'from within' that views the Arab world as an entity with a common heritage, common interests and a common future. The second sees the area primarily in relation to its geopolitical position, particularly vis-à-vis the USSR. The holders of this belief tend to see the territory from the Atlantic to the Gulf and beyond as divided into Western and Eastern spheres of influence; they measure the defensive capabilities of the countries in this area against possible

[8] M. Anis Salem, 'Gulf co-operation in area of conflict', *South*, June 1981, pp. 26–9; Valerie Yorke, 'Bid for Gulf unity', *The World Today*, July–August 1981.

[9] Mohammed H. Heikal, 'Egyptian foreign policy', *Foreign Affairs*, No. 4, July 1978. Also Mattar, *op. cit.*, pp. 20–9.

Soviet threats, and see salvation in terms of increased armaments, establishing Western bases in some countries, and obtaining military 'facilities' in others. These concepts conflict with the non-aligned posture of many Arab idealists. Nevertheless, the idea of the Middle East system had the important advantage, from the Western point of view, of grouping Turkey, Iran, Israel, and possibly Pakistan in the same structure as Arab countries. This was the logic behind suggestions ranging from the Middle East Command in 1951, through the Eisenhower Doctrine in 1957, to the Baghdad Pact in 1958. The Nixon Doctrine in 1973 accepted the same analysis in so far as it was applied to the Gulf, where Iran was given the role of local policeman. However, when the Russians sought to explain their intervention in Afghanistan on the basis of its location on the Soviet border, it seemed that the Kremlin was not immune to such geopolitical views either.

The question of Arab relations with the outside world has been further complicated by recent developments. After the Second World War, while European powers departed from the area, first the US then the USSR acquired positions of influence and near supremacy in various parts of the Arab world. With the 1970s and the decline of American power, the expulsion of the Russians from Egypt, the ascendancy of European and Japanese competition, and the oil windfall, it seemed that there was a period of 'non-primacy of the super-powers'. Then came Camp David, the fall of the Shah, and Afghanistan. The US responded with the Carter Doctrine that promised the defence of the oil-fields and sought footholds in the area. The Soviet Union signed a treaty with Syria. The Reagan Administration approached several countries in an attempt to promote a 'strategic consensus' directed against the Soviet Union, with high-profile military manœuvres in the area, a strategic agreement with Israel, and sales of sophisticated military hardware to Saudi Arabia. Meanwhile, the European Community entered the Arab-Israeli peace operation in tangible terms with its participation in the multi-national force for Sinai. The Soviet Union has been left on the defensive, wary of its extended commitments from Poland to Afghanistan and the borders with China.

These developments further fuel inter-Arab rivalries. Criticism of the US proliferates on account of its inability to react forcibly to Mr Begin's policies, its confrontation with the Libyan regime, and its over-exposed military profile; all embarrassing to Arab countries with special relations with the US since it exposes them to serious criticism in the Arab arena. In addition, it seems that the Europeans and the Russians may not fare much better. The former are criticized by some Arabs because of their acquiescence in the Camp David process, by others because they have not taken a sufficiently strong line on the Arab-Israeli conflict, and by all Arabs when conciliatory European gestures are made towards Israel (for example, Cheysson's statements on 'no more European initiatives in the Middle East'). As for the Soviet Union, although it is accumulating small gains because of American faults, it is probable that its inability to deliver tangible results to Damascus in response to the Israeli annexation of the Golan, its failure to enter the Arab-Israeli peace process, and the nature of Soviet relations with peripheral or difficult countries (Libya and South Yemen in particular) mean that relations with Moscow will be more contentious within the Arab world in the years to come.

The Arabs experienced another set of changes in the 1970s in the area of their identity, ideology and value systems. As indicated previously, the mixture of Arab nationalism, socialism and non-alignment was being eroded by political pragmatism, materialism and the emergence of a new socioeconomic stratification. Huge and increasing differences separated the rich and poor within and between Arab states. Immigrant manual and qualified labour became a characteristic of the contemporary Arab world with major implications for sending and receiving states.

Arab unity, and indeed the feeling of Arabism within various Arab countries, frequently seemed to be relegated to a secondary position, while affluence emphasized the egocentric concern for the betterment of each state. Countries rushed to build their steel complexes or their petrochemical industries without co-ordination with their neighbours. Holders of excess funds resented the demands of their fellow Arabs for increased aid, while other Arabs criticized the investment of Arab money in the West as opposed to its commitment to joint Arab development. When given, aid from rich to poor Arabs seemed to trickle rather than flow in a reluctant and unreliable manner.

The failure of the series of attempts to achieve Arab unity has left a cynical attitude militating against new efforts. The demise of Arab nationalism as a synthesizing element brought a new emphasis on particularistic identities at sub-state levels. Sectarianism came to the fore with Christian-Moslem rifts in Lebanon and Egypt, different inter-Islamic divisions in Syria and Iraq, and the resurgence of Islam as a political force in several Arab countries. Across the Arab world, there grew feelings of alienation, dissatisfaction with leaderships, demands for more popular participation, and frustration with the pace and direction of change in relation to expectations.

### Change and continuity

In weighing continuity against change in the Arab system, one could cite four elements of the former:

(i) The institutionalization of Arab nationalism. True, the romantic notion of an effective pan-Arab movement advocating instant and total Arab unity has lost out, but it is possible to detect its transformation into other forms. Sub-regionalism is one of them: the Gulf Co-operation Council, Egyptian-Sudanese co-operation and even the Syrian involvement in Lebanon could be understood in this context. There is also a belief in gradualism, functional co-operation, particularly in economic terms, as tangible and cumulative expressions of Arabism.[10] One of the significant developments in the Arab world has been the proliferation of organizations, unions and joint companies embodying various forms of functional co-operation between its members, particularly in the economic field (e.g.

[10] There has been much Iraqi enthusiasm expressed in this direction. See, for example, the article written by Iraq's Minister for Foreign Affairs Saadun Hamadi: 'Al-Wasa il ghayr al-Mubashirah, li-Tahqiq al-Wahdah al-Arabiyyah', *Al-Mustaqbal al-Arabi*, No. 33, November 1981, pp. 6–15. Also, Abdul-Al Al-Sugban, 'Towards a new Arab economic order', *Arab Papers*, No. 9, Arab Research Centre, November 1981.

Centre for Arab Industrial Development, Arab Textile Industries Union, Arab Re-insurance Company etc.) Over one hundred of these are in existence today, mostly as a product of a boom in the mid-1970s. The Amman Arab summit of 1980 agreed to a charter for economic co-operation, a decade of Arab development and an Arab common market. However, a sense of scepticism is in order; in 1964, a similar venture was attempted with little success. The renewed effort can only achieve results if a minimum level of Arab concord is realized, particularly since Arab calls for depoliticizing inter-Arab co-operation have met with limited success to date.

(ii) The centrality of the Arab-Israeli dispute. Despite the shifting interest towards the Gulf area, accentuated inter-Arab conflict, and the effects of superpower conflict in the region, the resilient Arab-Israeli conflict has remained as the focal point in Arab politics. Arab reactions to events ranging from the 1973 war to the Sadat peace initiative, the Camp David Agreements, the Israeli annexation of Jerusalem and Golan, the Israeli attacks on Baghdad and Beirut and the Fahd plan demonstrate this point. Though the Arab-Israeli conflict is not the only, nor, in many cases, the supreme one in the area, it still galvanizes large sections of Arab politics and sentiments.

(iii) Continued Egyptian centrality. Although it is true that Egyptian exclusive leadership of the Arab world is *passé* in many senses, it would be a mistake to overlook the continuing Egyptian centrality in Arab politics. In this context, perhaps it is worth remembering that Egypt's leadership of the Arab world often represented a constraint on its actions[11]—a factor that may have contributed to the complacency of other Arab countries in playing more active roles vis-à-vis Arab-Israeli, inter-Arab, or broader international issues,[12] and a cause of Egyptians suffering from what has been called 'metal fatigue', a sense of exasperation towards Arab politics. Today, the press in most Arab countries continues to focus more attention on Egypt than on any other single Arab country, sometimes more than on the affairs of their own countries. Egyptian cultural pre-eminence and influence over the Arab world remains strong, with Egyptian writers, actors and singers continuing to be the only ones with anything near a pan-Arab audience. Even the Egyptian experience in go-it-alone diplomacy towards Israel testified to the continued importance of Egypt in Arab politics. The tenacity of Sadat in pursuing his line in the face of Arab rejection reflected, at least partially, his belief in the continued importance of Egypt, and, more important, its ability to pursue a single-handed peace policy.

The non-emergence of an alternative Arab leadership to that of Egypt, the inability to produce an effective strategy vis-à-vis Israel, the exacerbation of inter-Arab conflicts and the general lack of direction in Arab councils may be interpreted as further evidence of the importance of Egypt's Arab role.[13] It is

[11] A. I. Dawisha, *Egypt in the Arab World: the elements of foreign policy* (London: Macmillan, 1976), pp. 131–2.

[12] See the extensive interview with Mohammed Heikal in *Al-Mustaqbal al-Arabi*, No. 31, September 1981, p. 128.

[13] Heikal expressed this thought by saying that without Egypt, or an alternative Arab power base, there cannot be an Arab strategy, only tactics.

interesting to note, in this context, the recent statement by the Secretary-General of the Arab League that the transfer of that organization's headquarters to Tunis was a temporary measure that would be reviewed, together with the question of who would be the Secretary-General, in the case of Egypt's return to the Arab fold.[14]

(iv) Areas of consensus: although it is obvious that inter-Arab differences overshadow instances of agreement, the areas of Arab consensus should not be ignored. For example, the vague notion of non-alignment seems to have become a guideline for most states in the area. Other areas of inter-Arab consensus range from perceptions of the Arab-Israeli conflict, to an interest in Arab-African co-operation, and a belief in the usefulness of inter-Arab educational and technical co-operation. The fact that there are disagreements even in some of these areas, that they may be subject to politicization, or that they are of secondary importance is not to deny that they remain significant and have potential for growth. In fact, the consensus of Arab public opinion creates a number of aspirations, guidelines and sanctions which influence and constrain Arab leaders to some degree.

In the Arab world today, the old order bears the seeds of the new; continuity coexists with change. While the new order has not yet crystallized, there remains the pessimistic possibility of the collapse of any semblance of order in the area, with further civil wars, inter-Arab conflicts, Arab-Israeli clashes and direct military intervention by outside powers. The chaos in the region over the last few years comes near to this picture.

Meanwhile, the Arab world continues to drift. It wastes vast resources on armaments while the illiteracy rate exceeds 50 per cent in most of its countries. It cannot forge an effective strategy for the restoration of Palestinian rights and peace with Israel. Its divisions spill over into and threaten the Organization of African Unity, the Islamic Conference and the non-aligned movement. Furthermore, these divisions distract Arab attention from the issues of North–South relations and open the area to a higher degree of foreign involvement which raises the tensions and stakes involved.

[14] *Al-Sharq Al-Awsat*, 18 January 1981, p. 1.

# The French cantonal elections: local skirmish or national test?

CARROLL DORGAN and JONATHAN MARCUS

THE 'new electoral order'[1] in France has received its first substantial setback. After François Mitterrand's Presidential victory and the sweeping Socialist success in the legislative elections last year,[2] the majority hoped that the March 1982 cantonal elections would extend its domination into the departments. The results, however, provided both material gains and a psychological boost for the Opposition.[3]

Departmental elections have not always been so significant or attracted such attention. At stake are seats on the general councils of departments, of which there are 95 in metropolitan France. These local assemblies have exercised relatively little power in the past, as they were placed under the 'tutelage' of Prefects appointed by the central government. General councillors serve six-year terms, with tenures staggered so that approximately half come up for re-election every three years. The elections are similar to a general election in procedure; a canton, itself simply an electoral constituency without any significant governmental or administrative function, elects a single representative by majority vote in two rounds (held this year on 14 and 21 March). The general councillors, in addition to sitting in the departmental assembly, also participate in the election of senators and sit on regional councils (until next year).

Traditionally, local affairs have dominated cantonal elections and abstention rates were relatively high. This began to change, however, during the 1970s. The progress of the Left—in particular that of the rejuvenated Socialist Party—included triumphs in increasingly politicized cantonal elections. A breakthrough came in 1976, when the Left won a clear majority of the first-round votes and the PS emerged as the largest single party with more than a quarter of the ballots cast. The 1979 cantonal elections were notable for the maintenance of this trend, despite the rupture of Left unity in 1977–8. In both cases, the turnout was higher than normal for this type of election. Although the government of President Giscard d'Estaing sought to dismiss these setbacks as local affairs, with no bearing on national policies, the Left gained encouragement from the results, as well as positions of strength from which to mount a campaign for national power. The

[1] See Gerard Le Gall, 'Le nouvel ordre électoral', *Revue Politique et Parlementaire*, No. 893, July–August 1981.

[2] See Byron Criddle and David S. Bell, 'The 1981 French elections: the victory of the Left', *The World Today*, July–August 1981.

[3] The parties of the Government Majority are the *Parti Socialiste* (PS), the *Parti Communiste Français* (PCF), and the *Mouvement des Radicaux de Gauche* (MRG). In the Opposition are the *Rassemblement pour la République* (RPR) and the *Union pour la Démocratie Française* (UDF).

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victories of 1981 showed that the trends revealed in the cantonal and other local elections might predict future national results.

It was a sign of the change in French politics effected by the 1981 events that everyone agreed in assigning national significance to the 1982 cantonal elections. The parties of the new *majorité* could hardly repudiate their assessments of the past decade, while the Opposition discovered a new importance in these local elections: they would be the first major electoral test since the change of power, almost a year before. Involving more than half of the electorate in 2,029 cantons across all of France (except in Paris, where municipal councillors also serve as departmental general councillors) and the overseas territories, the cantonal elections—if sufficiently politicized—would provide a much more accurate reading of public attitudes than could any opinion poll. It was a chance to pass judgement on the government of the Left.

It was also an opportunity to measure the balance of forces within the two opposing political families of Left and Right. This was particularly true on the majority side, where the first round saw 'primaries' between representatives of the two main coalition partners, Socialists and Communists, in most of the cantons at stake, plus a substantial effort by the smaller group of Left Radicals. The Opposition, having paid the price of disunity in 1981, was determined to co-operate this year. The Gaullists (RPR) and the Giscardiens (UDF) accordingly presented a unique candidate in about three-fourths of the constituencies, but both formations looked for results that would support their claim to the leadership of the Opposition in future struggles.

It was recognized by each political group that the results of these elections would be an important indicator for drawing up the lists of candidates for next years' municipal elections. However, the new Decentralization Law ('concerning the rights and liberties of communes, departments and regions') greatly enhanced the immediate importance of the cantonal elections. Henceforth the president of a general council will exercise many of the powers formerly in the hands of the prefect. The president will summon the council into session, set its agenda and carry out its decisions. The full extent of this executive authority and its relations with other levels of government and administration have not yet been specified in detail. It is clear, though, that general councils will play a substantially greater part in the economic and social life of their departments. Thus, the battle for majority control and the presidencies of these assemblies was intense. The governing majority hoped to gain ground here, since it held only 44 presidencies, despite its advances during the 1970s, whilst the Opposition held 51.

The number of candidates involved was less than in past contests, indicating more of a duel between the two opposing national blocs. Opinion polls indicated greater popular interest in the elections,[4] which was confirmed by the eventual turnout. However, it would be inaccurate to claim that the local content had been drained from the contest. Cantonal elections are still an arena for local 'notables', especially in rural areas which remain over-represented in the general councils. There are thus many candidates who run without the label of a national party.

[4] e.g. the SOFRES poll published in *Le Matin*, 5 March 1982, p. 2.

Furthermore, some parties enjoy considerably greater strength at this level than they do at a national level. These factors must qualify sweeping conclusions that might be drawn from the election.

**The campaign**

The Socialist Party welcomed the departmental elections as an opportunity to gain an endorsement of their leadership of the government. They, of course, recognized the implications of their Decentralization Law and were therefore also eager to expand their influence in the departments. (Of the 44 general council presidencies held by the majority parties, the PS had 30; the MRG had nine—albeit one with right-wing support—and the PCF, five.) The Socialists went into the campaign guarding themselves against extravagant expectations but confident of satisfactory gains.

The Prime Minister, Pierre Mauroy, actively led the Socialist effort, recognizing that the full mobilization of the Left supporters was essential for success. The Opposition's four legislative by-election victories in January gave special urgency to this task. His message was clear: while change could not be achieved overnight, the government was heading in the right direction and making good progress. The Socialist campaign was presented as flowing directly from the successes of 1981, with similar posters updated by the exhortation to 'consolidate' the change. In addition, looking ahead to the 1983 municipal elections, the Socialists hoped to strengthen their party relative to its partners in the majority. The cantonal results would be a factor in the negotiation of joint lists for the municipal contest. Yet, the PS leadership recognized that they needed the support of their smaller allies. Competition with the MRG and the PCF was thus somewhat restrained; for example, Mauroy instructed his Socialist ministers to refrain from campaigning in support of PS candidates where they faced Communist incumbents.

The goals of the Socialists, as outlined by their party leader, Lionel Jospin, did not seem excessive.[5] He sought 30 per cent of the vote and a gain of between 180 and 260 seats, contributing to a majority of general council presidencies for the government parties. It was acknowledged that the PS was unlikely to match its June 1981 total of 37·5 per cent (with the MRG), a product of unique circumstances. The 1976 cantonal elections would be a more reasonable point of comparison; then, the Socialists on their own took 26·6 per cent of the vote. The creation of 167 new cantons, mostly in urban areas, was expected to favour the realization of Jospin's hopes.

The 1982 cantonal elections found the Communist Party in an unusual, if not contradictory, position. Its entry into the Mauroy government in June 1981 had followed the party's worst electoral results since 1936 and a presidential campaign marked by sharp attacks on Mitterand and the PS. Communist leaders rejected speculation about the PCF's 'historic decline' or its marginalization, but they recognized the need to reverse the trend. Their participation in government was intended to defend the party's position; the cantonal elections would then be the occasion to regain some lost ground.

[5] *Le Matin*, 4 March 1982, p. 3.

From the moment that the results of the presidential election were declared on 10 May 1981, the PCF sought to present itself as a loyal party of government. Its four ministers have been careful to carry out their duties responsibly, even distancing themselves from the party's acceptance of martial law in Poland. At the same time, the Communist leaders are determined to maintain the PCF's distinctive identity to the left of the Socialists; failure to do so would, they believe, lead to the party's marginalization. Therefore, while 'in' the government, the PCF is not truly 'of' it. Its loyalty is conditional; it claims to guarantee continuing change and reform, to prevent backsliding. Its appeal to the electors in the cantonal campaign was to represent itself as the one dynamic element in the government.

As the loyal partner of the Socialists, the Communists went so far as to acknowledge that the PCF might have lost votes in 1981 because some people doubted the party's commitment to Left unity. (The Political Bureau's declaration opening the campaign on 25 February suggested as much.) These defectors were invited to inspect the PCF's record since May 1981 and return to the fold. At the same time, the Communist Party sought to attract the support of those not fully satisfied with the pace of reform. The PCF, Georges Marchais told young people in Nîmes, is 'the party of your revolts, your struggles, your hopes'.[6] Similar messages went out to farmers and other restive groups: '*Votez communiste pour donner un coup d'accélérateur au changement*'[7] This effort to win votes from both supporters and critics of the government would, it was hoped, lift the Communist vote above last year's 16 per cent towards the 22·5 per cent gained in the 1976 cantonal elections.

There was, indeed, discontent in France which political parties could exploit in the campaign. Inflation and unemployment remained high. Specific social groups—especially farmers and *cadres* (management and salaried staff)—were becoming alienated from the new government. Workers, too, were in a contentious mood, as the working-time disputes in February showed. The Mauroy government risked becoming a victim of the high expectations that the Left's victory had raised.

For Gaullists and Giscardiens alike, the world had been turned upside down in 1981: they found themselves precipitated into outright opposition for the first time in 23 years. Giscard's prospects had not been helped by the intense rivalry between the two principal formations on the Right: the Gaullist RPR and the Giscardien UDF. Despite a late display of unity for the parliamentary elections in the wake of Giscard's débâcle, the Right suffered a crushing defeat, losing over half its seats in the National Assembly. The message was clear—the Opposition might only prosper if they worked together throughout an electoral campaign. With the demise of Giscard, the UDF was in disorder. They had been upstaged by the RPR. The Gaullist leader and former presidential candidate, Jacques Chirac, was in an ecumenical mood and polls indicated that he was emerging in the public mind as the principal leader of the Opposition. The RPR machine was streamlined. A new study group, the 'Club 89', was set up to elaborate a programme. The UDF, whose future had been in some doubt, adopted a new, more flexible, statute. In Parliament, the two parties increased their co-operation, putting down a number of joint censure motions and keeping up their strong criticism of the government

[6] *Le Monde*, 28 February/1 March 1982, p. 6. [7] *L'Humanité*, 13 March 1982, p. 1.

actions. By January, the formations of the Opposition had buried the hatchet and began to reap the rewards. The Opposition victory in the 17 January 1982 by-elections, winning all four seats in contention, set an optimistic mood for the great RPR extravaganza, the *Assises Nationales* held in Toulouse. Here Chirac reclaimed the presidency of the movement. The RPR showed new signs of vitality, claiming over 40,000 additional members since 10 May. A large banner proclaimed the new Gaullist message—*Nation, Liberté, Progrès*. Chirac called for a gathering of Republicans, the cry of the Republic in danger being transferred from the vocabulary of the Left to the armoury of the Right.

On 27 January, the UDF and RPR issued a joint statement announcing their pact for the cantonal elections and emphasizing the political character of the contest. Gaullists and Giscardiens would go into battle together, giving their joint support to as many candidates as possible.[8] Where primaries were to be held, there were to be no polemics between the Opposition candidates, the loser was to stand down automatically and campaign actively on behalf of his better placed colleague.

The tone of the Opposition campaign was largely negative, a critique of the government's measures. The RPR campaign continued Chirac's appeal during the presidential contest for 'change without risk', the nation wanting reform rather than upheaval. The Opposition also seized upon various *affaires* as an opportunity to attack the Left. The apparent suicide of a Gaullist social security official, René Lucet, after his dismissal by the Minister of National Solidarity, provided a martyr for the Right. On the eve of the first ballot, Chirac successfully sued the Interior Minister, Gaston Defferre, for libel. More damaging for the government was the collapse of the franc following the first round of voting. The value of the currency declined during the following week and only rallied on the eve of the second ballot. The loss of international confidence forced the Bank of France to intervene to support the franc. The right-wing press had a field day speculating on a second devaluation by the Socialist government after only ten months of office. Criticisms of the Right and its 'allies'—the financial community—for having orchestrated the fall were a feature of the Left's initial response to their setback, being voiced particularly by Marchais when interviewed on television, after the results were declared.

**The results**

The election results produced the traditional 'battle of the figures' as each political party combed through the mass of statistics seeking vindication of its position. Certain figures have special significance, however, and deserve attention. The record-breaking turnout of 68·42 per cent in the first round continued the trend of 1976 and 1979, when it had risen to over 65 per cent. The respective shares of the vote won by the different parties, the focus of interest in the first ballot, showed a clear gain for the Opposition parties, which accumulated a total of

[8] The RPR gave its endorsement to 881 candidates. 587 were joint Opposition candidates and 294 took part in primaries. The UDF gave its support to 1,884 candidates. This includes some 599 RPR candidates supported by the UDF. There were 891 UDF candidates representing the Opposition as a whole and 394 took part in primaries. These are the figures issued by the respective parties, hence the discrepancies.

49·92 per cent of the vote. The government could (and did) claim 49·59 per cent, but only by including in its camp the 1·54 per cent gathered by the 246 '*divers gauche*' candidates.[9] These are a miscellaneous collection of personalities who cannot be as easily categorized as their title, the 'various left' implies. Some would support the governing majority, but others (along with their electorate) would vote with the Right.

The week between the two ballots saw the Opposition confidently continuing its unified campaign against the government. As new details emerged in the Lucet affair and the franc suffered its dramatic decline, the Left reaffirmed its unity and strove to mobilize its absent voters in support of government policy. Mauroy abandoned his personal campaigning in the country and instead made several appearances on national television. The sight of the head of the government broadcasting in this way may have further staked the coalition's reputation on a lost cause.

The second round brought a still higher turnout (70·25 per cent) and confirmed the trends of the first ballot. The Opposition made widespread gains, whilst each of the majority parties suffered a net loss of seats.[10] The Opposition did reasonably well even in the new cantons (taking 76 of the 167) where the Left's expectations and the Right's fears had been greatest.

The 'third round' of the cantonal elections, the election by the new general councils of their presidents on 24 March, was indicative of the shift in favour of the Opposition. In some cases, local factors clouded the issue: for example, four departments were evenly split, so the presidency went to the oldest councillor; in Corse-de-Sud, the vote of a dissident Bonapartist swung the result in favour of the MRG candidate. Overall, however, the Opposition gained ten presidencies and lost two—the net advance of eight giving them a total of 59 against the majority parties' 36.

These results represent, at the very least, a setback, if not a major defeat, for the parties of the Left. Regardless of what one did with the *divers gauche* vote, the decline from 1976 (when approximately the same electorate voted) was clear: while the PS advanced slightly, the MRG dropped from 2·4 per cent to 1·7 per cent and the PCF suffered the major loss of nearly seven percentage points. The Communists' total remained within the range of their poor results of 1981; a particularly ominous result since the PCF has traditionally scored about 2 per cent higher in cantonal elections than in legislative or presidential contests. It appears that the PCF was losing two sorts of voters; supporters of the Union of the Left were continuing to move into the PS, while militants, alienated by the PCF's participation in the government, abstained. The party was paying a price for the contradictions of its position and policies, gaining votes as a protest party in the poorer, less

[9] The results for metropolitan France announced by the Interior Ministry were: PS 29·89 per cent; UDF 18·8 per cent; RPR 17·97 per cent; PCF 15·87 per cent; *divers droite* 12·95 per cent; MRG 1·74 per cent; *divers gauche* 1·54 per cent; extreme Left 0·55 per cent; Ecologists 0·44 per cent; extreme Right 0·2 per cent.

[10] Interior Ministry figures for metropolitan France: extreme Left 1 seat (−1 seat); PCF 191 (−45); PS 504 (−7); MRG 61 (−27); *divers gauche* 41 (−20); UDF 460 (+71); RPR 323 (+144); *divers droite* 363 (+52); extreme Right 1. These figures include the 167 new seats.

developed departments of the south-west, but losing support in its traditional industrial bastions.[11]

It has been the goal of the Socialist Party for over a decade to establish itself as the dominant party on the Left. This was clearly achieved in 1981; the 1982 cantonal elections demonstrated the drawbacks of carrying the process too far. The PS could take little pleasure in its slight advance, when its partners' losses pulled the Left's results below the 50 per cent mark. Furthermore, the Socialists' net gain concealed attrition among moderate and centre-left voters, which was only balanced by the arrival of defectors from the PCF. At the same time, 'republican discipline' was less fully observed; added to the normal reluctance of Socialist voters to transfer their ballot to a Communist candidate at the second round, there was an increased level of abstentions among Communists when called upon to vote for a Socialist. The Left failed to mobilize its electorate. For the parties of the majority, then, and for the government itself, the 1982 departmental elections posed disquieting questions which demanded immediate attention and answers.

The Right's 49·92 per cent of the first ballot vote gave it a narrow lead over the government. Electoral majorities are of great symbolic importance in France and the Opposition did not play down its good fortune. Numerous personalities were elected or re-elected including 20 ex-Ministers who had served under the former President. Valéry Giscard d'Estaing was elected on his home ground of Chamalières, with nearly 72 per cent of the votes cast!

Given the variety of party labels on the Right, numerous candidates 'keeping their flags in their pockets' and fighting as independents, the exact division of seats between the various formations is hard to ascertain. In primary contests between the UDF and RPR candidates, the Gaullists seem to have had a slight edge.

Though encouraged by the first-round results, the Opposition approached the second ballot with caution. Fearing that they might have reaped all the rewards of common candidacies at the first round, they campaigned vigorously, hoping to mobilize whatever reserves of support existed. The results, with an even larger turnout, proved that they had been successful; both the RPR and UDF made spectacular gains. After both ballots, the Gaullist tally of seats had risen by 144 and that of the UDF by 71.[12] Chirac could be well pleased. His party had established a strong presence on the ground, giving it a valuable departure point for the municipal elections. The UDF, composed largely of parties of notables and traditionally well implanted at a local level, could also be satisfied.

In the Ile-de-France, the region around Paris, comprising seven departments, the Opposition retained its hold on three council presidencies, taking in addition Essone from the PS and Seine-et-Marne from the PC. They gained 27 new seats in the region, losing only two. The Opposition demonstrated its ability to break into areas that had been expected to fall to the Left. In the Rhône, six new cantons had

[11] See Roland Cayrol and Pascal Perrineau, 'Le reclassement des électeurs de gauche', *Le Matin*, 20 March 1982, p. 5.

[12] The figures are those for metropolitan France provided by the Minister of the Interior and published in *Le Monde*, 23 March 1982, p. 5. After the second ballot the 'battle of the statistics' continued, this time over the allocation of the *divers droite* seats, the UDF contesting the official figures and claiming a total of 661 seats.

been created in the suburbs around Lyon. The Left had hoped to win five of these seats with ease—instead, the Opposition took four. Overall, the Right emerged as the principal beneficiary of the new powers accorded to the general councils.

**The outcome:** *'Plus ça change, plus c'est la même rose.'*[13]

The Left's triumph in 1981 created a wave of euphoria, a feeling that everything was possible. The cantonal elections mark the end of the 'honeymoon period'—the results of 1982, like those of 1976, are best interpreted as being a warning to those in power.

The government needs to find its second wind, better to explain its reforms to the nation. In viewing *le changement* as a long-term affair, as 'a play in four acts',[14] the Mauroy government risked losing sight of the day-to-day problems of the people. It is not a question of the pace of change; Georges Marchais reflected the views of the majority as a whole when he said that there should be 'neither pause nor acceleration' in the application of the government's programme. Rather, the reforms should be seen to be making a clear impact. A statement from the *bureau exécutif* of the Socialist Party underlined this point. The government must not only get its message across, but also take steps to redress the economic situation. The struggle against social inequality must be extended so that concrete changes are made in the daily lives of ordinary people. This will require setting priorities and making difficult choices and has already provoked active debate within the PS. The results of next year's municipal elections will be a verdict on the government's policies. The Socialists wish to develop a new relationship between party, government and presidency. They want Mitterrand to become more closely associated with the government's programmes.

The government has been reminded that it does not command an absolute electoral majority, and must seek to broaden its appeal. The French electorate remains divided into two, almost evenly balanced camps—electoral success being determined by the shift of only a few hundred thousand voters.

The Communist Party is in a difficult position. The costs of remaining in the government must be set against the penalties of leaving it. For the moment, the Communists have accepted that the pace of change should be determined by the dominant group in the National Assembly, the Socialists, and affirm their solidarity with Mauroy's government.[15] They explain their decline to a 'historic delay' in adapting to the realities of contemporary French politics. They remain determined to recover lost ground and will continue to assert their separate identity within the majority. Should the contradictions of participating in the government become too great, the PCF retains the blunt option of withdrawal.

For the Opposition, concerted action, the sinking of old differences, has paid its rewards. The UDF and RPR are resolved to approach future elections in the same spirit. Their gains in seats have enabled many new personalities to enter the

[13] *Le Canard Enchaîné*, 24 March 1982, p. 1. [14] *Le Monde*, 11 March 1982, p. 38.

[15] With the second round results in, *L'Humanité* declared: '*Il faut réaliser le changement sans pause ni accélération*, 22 March 1982, p. 4. This was in marked contrast to their attitude prior to the first ballot as the dissident newspaper *Rencontres Communistes Hebdo*, No. 38, 25 March 1982, p. 5, was quick to point out.

political arena and have provided a much-needed boost to morale. Over the ensuing months both the UDF and the RPR will try to build upon their successes, to increase membership and to elaborate new policies. Indeed, with the proliferation of political clubs and associations, the Right may well have too many programmes!

With nearly two-thirds of the presidencies of the general councils in its grasp, the Opposition will hope to influence the application of the government's reforms. How important a counterweight the general councils may become remains to be seen. The Decentralization Law is but a part of a broader plan for devolving power. Much legislation is yet to be passed, e.g. that concerning the division of responsibilities and funds within and between the local authorities and the central government. Indeed, in the light of the election results, the Council of Ministers has decided to delay the full devolution of powers. The transfer of responsibilities to local authorities will now be spread out over the next three years.[16]

The success of the Opposition leading to a plurality of majorities, each exercising some responsibility, may well benefit the institutional system of the Fifth Republic. As Alfred Grosser has warned,[17] the French tend to deify the notion of an electoral majority. Thus, political life becomes an intractable duel of absolutes—Majority versus Opposition, good versus evil, republican liberties versus conservative authoritarianism. The real test of the political system is not the acceptance of complete alternation in power, but rather the ability to adapt to and accommodate a number of different-coloured 'majorities' at various levels of government.

No sooner is one election campaign over in France than the next one begins. The cantonal results will provide an important reference point for the drawing up of lists for the municipal elections next spring. The government, taking note of the gross discrepancy between the number of votes that each party requires to elect a general councillor,[18] has determined to introduce proportional representation for the municipal and regional elections in 1983 and also for future legislative elections. The form of proportional representation introduced is likely to have a strong majoritarian emphasis. This, according to Jean-Pierre Chevènement[19] would prevent the *marais*—the narrow band of floating voters—from becoming the arbiters of political life and would best favour the Socialists. The PCF would also welcome the introduction of proportional representation.

The results of the cantonal elections indicate that 'the new electoral order' of 1981 is far from being entrenched. Proportional representation may give new twists to the constantly evolving party system of the Fifth Republic. The textbooks of French politics, being rewritten to encompass *le changement* of last year, may soon, once more, require revision.

[16] *Le Figaro*, 8 April 1982, p. 6.

[17] Alfred Grosser, 'La notion de majorité', *Le Monde*, 18 March 1982, p. 2.

[18] With 49·92 per cent of votes cast, the Right obtained 59 per cent of the seats. With 47·93 per cent of votes, the Left obtained 38·4 per cent of the seats. Average ratio of votes to seats 6,244:1. UDF 4,987, RPR 6,732, PS 7,341, PCF 10,102.

[19] Jean-Pierre Chevènement, 'La proportionnelle, mais avec une forte dose majoritaire', *Le Matin*, 25 March 1982, p. 3.

# India, Pakistan and super-power rivalry

MOHAMMED AYOOB

RELATIONS between India and Pakistan have once again become important to the outside world in the light of recent developments in the neighbourhood of the South Asian subcontinent and escalating direct super-power involvement in the problems of Afghanistan and the Gulf. After nearly a decade of relatively 'benign neglect', the Indo-Pakistani equation has once again become a major concern of policy-makers in Washington and Moscow.

From the Bangladesh war of 1971 till the Iranian Revolution of 1979 and the Soviet intervention in Afghanistan later that year, the development of Indo-Pakistani relations had been to a large extent insulated from the course of super-power rivalry. Trends and events that helped or hindered the evolution of a regional détente in South Asia were largely, if not exclusively, subcontinental in origin—e.g. the Simla Agreement of July 1972, the change of government in India in March 1977, or Zia-ul-Haq's military coup in Pakistan in July 1977.[1] However, with the dramatic events of 1979 in the subcontinent's neighbourhood (which were partly foreshadowed by the coup in Afghanistan in April 1978), the relative tranquillity in the immediate external environment in which Indo-Pakistani relations had been conducted was shattered and extra-regional forces, interests and actors once again began to impinge on South Asian international relations in a big way—just as they had done through much of the 1950s and the 1960s.

To complicate matters further, this dramatic deterioration in the subcontinent's immediate environment coincided with the beginning of a new Cold War between the super-powers, with its central theatre (unlike the Euro-centric nature of the first Cold War) securely established in the vicinity of the subcontinent, in the region increasingly identified as South-West Asia, stretching from the Western borders of the subcontinent to the Red Sea, and including the oil-rich Gulf.[2]

The convergence of these trends and events made certain that the principle of 'bilateralism' in India–Pakistan relations, and particularly in the resolution of disputes between the two countries, which had been enshrined in the Simla Agree-

[1] For a discussion of these trends and events, see Mohammed Ayoob, 'India and Pakistan: Prospects for detente', *Pacific Community*, Vol. 8, No. 1, October 1976, and 'Pakistan comes full circle', *Indian Quarterly*, Vol. 34, No. 1, January–March 1978. Also, W. Klatt, 'The Indian subcontinent after the war', *The World Today*, March 1972; William J. Barnds, 'The Indian subcontinent: new and old political imperatives', *ibid.*, January 1973; A. G. Noorani, 'Search for new relationships in the Indian subcontinent', *ibid.*, June 1975; Sir Cyril Pickard, 'Change in Pakistan', *ibid.*, December 1977; R. V. R. Chandrasekhara Rao, 'The Janata Government and the Soviet connexion', *ibid.*, February 1978.

[2] For a detailed discussion of this point, see Mohammed Ayoob, 'Southwest Asia: beginnings of a new Cold War', *World Review*, Vol. 20, No. 3, August 1981.

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ment of 1972, sustained a hard, possibly fatal, knock. It was now evident that regional as well as extra-regional actors were once again back at the old game of involving external powers and interests to redress perceived regional imbalances, in the process immeasurably complicating bilateral relations between New Delhi and Islamabad. For South Asia, the throwback to the Cold War days of the 1950s was almost complete.

### The Indo-Pakistani power equation

This, however, did not mean that nothing had changed in the subcontinent during the intervening 30 years. The second partition of the subcontinent in 1971 and the emergence of Bangladesh was, of course, the outstanding event during that period. Initially, it had appeared to change radically the balance of power in South Asia in India's favour. But, it is now clear with hindsight that the change in the India–Pakistan power equation as a result of the war of 1971 was more apparent than real. However, the events at the time were sufficiently dramatic in character to give the impression that something had changed rather drastically in the power relationship between the two countries. As it turned out, the change was psychological and transient rather than material and permanent in nature.

A major reason why this myth of a radically altered Indo-Pakistani power equation was sustained through most of the last decade was the political climate which pervaded the subcontinent between 1972 and 1978. This climate was largely the result of the flowering of super-power détente in the first half of the 1970s and the relative insulation of subcontinental international politics from major external influences for much of the last decade. In addition, the new post-Bangladesh Pakistani leadership, symbolized by Zulfiqar Ali Bhutto, preoccupied as it was with a series of intricate balancing acts in Pakistan—between the military and the civilians, between Punjab and the minority provinces etc.—also strengthened this assumption by its refusal to indulge in excessive and overt India-baiting, which had become the stock-in-trade of ruling élites in Pakistan from the 1950s onward.

Despite all these changes in the political atmospherics of the subcontinent, if one looked closely at the military balance between the two neighbours it appeared that nothing much had changed as far as the balance of military forces was concerned. For, in spite of the qualitative edge in terms of equipment and aircraft maintained by India until recently, the Pakistanis had done considerably better than most people imagined.

It is not widely recognized that, with the separation of East Pakistan, Pakistan's security problem had been considerably reduced. For no matter what other types of satisfaction—psychological and economic—East Bengal might have provided to Islamabad, in security terms it was a nightmare since it was essentially indefensible in an Indo-Pakistani conflict. All it did was to serve Indian military purposes by tying down substantial Pakistani forces during times of war—one division in 1965 when there was no fighting in the eastern theatre, and approximately four divisions in 1971 which surrendered on 16 December and which could have been used to much better purpose had they been retained in the western wing.

Now, with East Pakistan no longer a security liability, the Pakistani army has a much more compact area to defend, and, what is more, can be counted upon to be a highly motivated force defending its home territory if it ever undertook a defensive operation against India. Furthermore, there has been a considerable quantitative increase both in terms of manpower and equipment of the Pakistani armed forces during the last decade. To take just one instance, the army has increased from 278,000 to 420,000, and there has been a corresponding increase in armour and fire power.[3] Air and naval capabilities have also increased and friendly, conservative, Arab regimes, particularly Saudi Arabia, have made substantial financial contributions to the expansion of the Pakistani armed forces.

While the Indian armed forces have maintained a qualitative edge over Pakistan in terms of equipment throughout the decade, the army's quantitative expansion has been much more modest. During the 1970s the army's strength has gone up from 840,000 to 944,000[4]—an increase of approximately 12·5 per cent as compared with the Pakistani army's increase of 51 per cent over its earlier strength. With India's 10 mountain divisions tied up on the Chinese frontier, it has a maximum of 18 infantry divisions and 2 armoured divisions, plus a few independent armoured brigades which it can deploy on its western frontiers. Pakistan, on the other hand, has 16 infantry divisions and 2 armoured divisions, plus a few independent armoured brigades[5]—the overwhelming majority of which are deployed on its borders with India despite Islamabad's current rhetoric about the threat to its security from the west and the north-west.

This means that, given the much longer distances involved in the movement of Indian ground troops from their peacetime positions to wartime stations on the India–Pakistan border, the actual deployable capacity in terms of ground forces of the two sides at the beginning of another round of Indo-Pakistani hostilities would be roughly equivalent. Therefore, New Delhi's current self-image as the pre-eminent power in the subcontinent and the defender of the status quo in the region is based on little more than the modest, although fast-eroding, qualitative edge that it possesses over Pakistan in terms of military equipment, and particularly aircraft.

The Reagan Administration's decision to supply Pakistan with US $3·2 billion worth[6] of sophisticated equipment, including 40 F-16 aircraft, is seen by New Delhi as the decisive step which would lead to the neutralization of India's qualitative military superiority, thus removing the major bulwark on which the current relatively stable status quo in the subcontinent rests; and it is on the basis of this assumption that the decision has been denounced by the Indian leadership.

What makes the unfolding scenario appear so grim to policy-makers in New Delhi is that, given the current political and military environment in the vicinity of the subcontinent, this US decision is unlikely to be a limited, one-time affair. They assume—and are substantially correct in their assumption—that Pakistan's

[3] IISS, *The Military Balance*, 1972–73 and 1981–82.
[4] *ibid.* [5] *ibid.*, 1981–82.
[6] See Zubeida Mustafa, 'Pakistan–US relations: the latest phase', *The World Today*, December 1981.

attraction to Washington is based on the fact that, as a non-Arab Muslim country commanding the approaches to the Gulf with possibly the most well-trained and best-disciplined fighting machine in the Muslim world, it provides the US with the best available replacement for the Shah's Iran in South-West Asia. What is more, unlike the Saudi regime, Islamabad is not directly faced with problems of regime legitimacy that are intimately interlinked with Washington's de facto endorsement of an Israeli policy which is perceived in the Arab world and beyond as unabashedly expansionist in character.[7]

This linkage between US policy in the Middle East–Gulf region and the acquisition of sophisticated armaments by Pakistan reminds New Delhi of the events of the early 1950s when, despite Indian objections, the US decided to arm Pakistan as a result of American calculations that the latter could make substantial contributions to the defence of Western interests in the Middle East. This was particularly welcome at a time when no major Arab country, with the solitary exception of Nuri-el-Said's Iraq, was willing to join the United States and its European allies in their strategy of building a network of pro-Western states in West Asia. However, as it turned out, American arms acquired by Pakistan under this guise—for the purported defence against a presumed Communist expansion—were used against India in 1965 in the last concerted effort to change the status quo in Kashmir. This time, what is worse from India's point of view is that, unlike in 1954, no attempt has been made by the US Administration even to give verbal assurances to New Delhi that American arms supplied to Pakistan will not be used against India.

In the final analysis, what India finds most galling is that the US military support to Pakistan threatens seriously to affect India's manœuvrability in the conduct of its relations with the super-powers. For it can only force it to become further beholden to Moscow, which it needs as a counter-weight both to a US-supported Pakistan and a China which is on intimate terms with Washington. It should not be forgotten that Indian ties with the Soviet Union were built to a large extent as a response to the US-Pakistani alliance of 1954. And although such ties with Moscow have stood India in good stead during times of crisis as in 1971, New Delhi has tried, as far as possible, to accept Soviet support on India's own terms. However, in order to maintain its leverage with Moscow, it is essential that India is not seen to be too dependent on the Soviet Union. This objective, New Delhi feels, is dangerously threatened by the Reagan Administration's decision on arms supply to Pakistan.

## Two basic foreign policy concepts

The Indian preoccupation with leverage and manœuvrability even vis-à-vis an avowedly friendly power like the Soviet Union is a reflection of New Delhi's deep-seated foreign policy concerns, which divide Indian political reflexes very sharply from those of Pakistan. In fact, the very different—in many ways diametrically opposed—Indian and Pakistani reactions to current events in the subcontinent's

[7] That the Pakistan regime faces another set of legitimacy problems is probably not appreciated fully in Washington.

neighbourhood and to the question of external involvement in matters subcontinental are not much more than the latest demonstrations of the divergent premises underlying the foreign policies of the two countries—premises which are largely dictated by the disparity in size and inherent power between India and Pakistan and the differences in the world views of their policy-making élites.

These differences can best be understood in the light of the two central or organizing concepts of Indian and Pakistani foreign policies. The central concept underlying Indian policy can be termed 'autonomy of action', whereas that underlying Pakistani policy can be called 'borrowing power'. While the two concepts are not absolutely mutually exclusive—as any detailed study of Indian and Pakistani foreign policies will demonstrate—there is an inherent conflict between the two which comes to the fore particularly in the two countries' patterns of relationship with the super-powers. The conflict relates principally to the different priorities accorded to the two concepts when they come into clash with each other.

For India, the logical corollary of its attempt to apply the concept of 'autonomy' has meant the exclusion, and if that is not possible, the minimization of external, particularly super-power, involvement in the politics of the subcontinent. Jawaharlal Nehru's formulation of the strategy of 'non-alignment' was to a substantial extent determined by his desire to preserve Indian freedom of action in international affairs. Since the United States was the only power with global reach in the late 1940s and the early 1950s when this strategy was being initiated, it was not surprising that Nehru's attempt at demonstrating India's autonomy of action was viewed in Washington as inherently anti-American in character and was termed 'immoral' by John Foster Dulles.

On the contrary, the development of Indo-Soviet ties which, as has been stated earlier, received a fillip as a result of the American alliance with Pakistan, was dictated in equal measure by Nehru's realization that Moscow was the much weaker pole of power in a divided world that emerged at the end of the Second World War. As such, it needed friends in the Third World to prevent the spread of America's hegemonic influence. It, therefore, had a vested interest in building up independent centres of power in Asia and Africa which could resist US attempts to browbeat newly decolonized nations into supporting its 'containment' strategy vis-à-vis the Soviet Union. Soviet policies not only towards India but towards Sukarno's Indonesia and Nasser's Egypt bear testimony to Nehru's correct assessment of Soviet objectives in the Third World at that stage. As a corollary of this assessment, the Indian policy-makers also came to the conclusion that, given Moscow's weakness vis-à-vis Washington, the former was less likely to attempt to override Indian regional interests in the quest of its own global objectives.

It was this convergence of interests that formed the basis for a co-operative Indo-Soviet relationship which, despite its ups and downs, has lasted for almost 30 years. As far as India is concerned, this relationship has been built on the basis of the primacy of Indian over Soviet interests in the South Asian region, as well as India's autonomy of action internationally which has been rarely hindered by its ties with the Soviet Union. Even on the question of the Soviet invasion of Afghanistan, while India's reaction has been much more muted than many Western

capitals would have liked it to be, New Delhi's displeasure has been made known to Moscow forcefully more than once. The very fact that Afghanistan was not mentioned in the joint communiqué issued at the end of President Brezhnev's visit to India in December 1980 was a clear demonstration of the wide gulf separating Indian and Soviet attitudes on the issue. But to this we shall return later.

The central concept around which much of Pakistan's foreign policy has been built is that of 'borrowing power' from external sources. While this policy has resulted in substantial measure from the Pakistani leadership's desire to offset Indian power superiority in the subcontinent and thus preserve Pakistan's freedom of action vis-à-vis India, it has, paradoxically, ended up in curtailing Pakistan's freedom and manœuvrability in the international sphere—except for brief periods as in the second half of the 1960s—and has hitched its star too firmly to one major power or another—which has usually failed to come to its rescue in times of dire need, as, for instance, during the events of 1965 and 1971. It also set off an arms race in the subcontinent which Pakistan, despite its best efforts and despite extensive outside help, has never been able to win.

This policy has had two further deleterious effects on the international politics of the subcontinent. First, it has meant that subcontinental relations for the major part of the last three decades have become inextricably intertwined with super-power rivalry for global influence. Secondly, and this is becoming increasingly evident in the latest phase, it has permitted the politics of contiguous regions, particularly of South-West Asia, to determine international alignments within the subcontinent and to dictate the course of intra-regional relations.

For India, this has been the very negation of the concept of 'autonomy' on which its policy is based. For Pakistan, however, the development of these linkages with super-power rivalries and external conflicts provides the essential instrument for the pursuit of a successful strategy aimed at neutralizing Indian power in South Asia. As long as this basic contradiction in the fundamental assumptions on which the two countries' foreign policies are based continues to exist, it seems well-nigh impossible that negotiations over 'no-war' pacts or renunciation of force will bear permanent fruit.

### Differing perspectives on Afghanistan

In the last couple of years, the Soviet invasion of Afghanistan and the flexing of American military muscles in the Gulf following the events in Iran have tended to highlight further the fundamental divergence in Indian and Pakistani approaches to international politics in general, and super-power activities in particular.

As far as India is concerned, while the great majority of the Indian élite interested in foreign policy issues is opposed in principle to the Soviet intervention in Afghanistan, it is even more suspicious of US moves. Washington is perceived as using the Soviet invasion to justify its own military and naval build-up in the north-western quadrant of the Indian Ocean. In this context, the US decision to arm Pakistan is viewed as rather sinister in character. America's strategy in South-West Asia is perceived not so much as a response to the Soviet moves in

Afghanistan than as a military response to the actual or potential assertion of political and cultural autonomy on the part of the peoples of the oil-rich Gulf, and indeed of the Middle East in general. This defiance of Western dominance, as in the case of Iran, touches a very sympathetic chord in the hearts of the Indian policy-makers, although, 'reformists' as they are in the good old Nehru tradition, they deplore the excesses of revolutionary zealots.

In the light of this assessment of US policies in and around the region, the Soviet invasion of Afghanistan is played down if not condoned. First, it is seen as the culmination of a process of Soviet involvement which began almost 30 years ago as a reaction, once again, to the US alliance with Pakistan and Iran. Because of its own experience, New Delhi holds the United States responsible for sending Kabul into the Soviet embrace. Afghanistan's tragedy was that, unlike India, once it was forced into Soviet arms, it did not have the manœuvrability to disengage itself even if it so desired. Secondly, the Soviet move is perceived not as part of a co-ordinated strategy for eventual control of the Gulf but as a response to a set of primarily internal developments within Afghanistan which have been, in Indian perceptions, considerably exacerbated by external (meaning US-Pakistani) attempts to fish in troubled waters.

The sum total of this rather complex process of reasoning in New Delhi leads to an Indian policy stance which 'deplores' the Soviet intervention in Afghanistan while 'condemning' American moves in the Gulf and its arming of Pakistan. In Islamabad the attitudes are reversed. There, of course, the condemnation of Soviet moves in Afghanistan is much more shrill than the Indian condemnation of American strategy. On the other hand, the Pakistan government, if not all sections of the intelligentsia, openly welcomes the build-up of US military power in the vicinity of the Gulf from which it has direct pay-offs in the form of the proposed transfer of sophisticated weaponry over the next five years.

### Towards renewed confrontation?

The superimposition of these totally opposed perceptions of super-power moves and motivations in and around the region on the fundamental divergence of foreign-policy assumptions in New Delhi and Islamabad, at a time when super-power activity in the vicinity of the subcontinent has reached an all-time high and when conflicts from contiguous regions threaten to overspill across the subcontinent's boundaries, has created a dangerous climate of impending confrontation between India and Pakistan. Intermittent negotiations between Foreign Ministers regarding a 'no-war' pact or renunciation of force appear to be little more than cosmetic attempts at postponing the ultimate day of reckoning. For, unless Islamabad and New Delhi are able once again to insulate Indo-Pakistani relations from the currents and cross-currents of super-power rivalry and the overflow of conflicts in contiguous regions, the slide towards an armed confrontation between the two countries seems inevitable.

What makes the prospects for such a confrontation much grimmer in the 1980s is the presence of two additional factors which had been either absent or much less salient in earlier decades. The first is the likely nuclearization of the two com-

batants—if not of the next round of hostilities itself. Without going into the details of the two countries' nuclear programmes, which I am not competent to deal with anyway, it does appear, given the evidence available so far, that Pakistan is not very far from exploding its first nuclear device and that India is then likely, first, to accelerate its nuclear weapons programme and, second, that it may well test its first thermo-nuclear device for which, I believe, it has the necessary expertise and technical competence. The acquisition of sophisticated delivery systems, a process in which both parties are actively engaged at the moment, will only add to the bleak outlook for Indo-Pakistani relations for the rest of this decade.

The second factor which might help transform another calamitous Indo-Pakistani war into a catastrophe is related to the likely effects of such a confrontation (or even of escalation of tensions short of an all-out war) on the fragile structure of the Pakistani polity. Once again, without going into the details of ethnic and subnational problems plaguing Pakistan, it is clear that the dissatisfaction of the minority ethnic and linguistic groups—particularly the crucial ones which straddle the subcontinent's boundaries—with the Punjabi-dominated ruling establishment has been mounting throughout the last decade. The Baluch insurgency of 1973–7, which, incidentally, resulted as much from the Shah's intervention in Pakistani politics as it did from Bhutto's authoritarian proclivities, was evidence enough of this phenomenon. The imposition of military rule and Bhutto's execution has managed to alienate a substantial section of the Sindhi population as well. But it is the Baluch and Pakhtun dimension of this problem, and particularly the Baluch one, which can prove very dangerous for Pakistan's political future.[8] This problem, in the context of an India–Pakistan confrontation which would have its own linkages with super-power rivalry, might become unmanageable for Islamabad if Moscow decides to extend material support to Baluchi separatist forces in retaliation for Pakistan's support for US objectives in the area in general, and its support for Afghan insurgents in particular.

One major reason that has prevented the escalation of Soviet support for Baluchi nationalists so far seems to have been Moscow's assessment that India would react very adversely to such an adventure and might even construe it as an unacceptable form of interference in the subcontinent's affairs. The Indian stance on the Baluch situation has so far been largely determined by two factors: (i) the feeling in New Delhi that an intensification of the Baluch insurgency with foreign help would open a veritable Pandora's box leading to the disintegration of Pakistan into four mini-states, thus providing external powers with enormous opportunities to fish in troubled subcontinental waters. This, in turn, would adversely affect India's own efforts to 'manage' South Asian relations and to insulate its politics as far as possible from outside interference. In the final analysis, such an outcome would militate against New Delhi's own capacity to act autonomously of the super-powers. (ii) Unlike Bangladesh, an independent Baluchistan, on the periphery of the sub-continent and with ethnic links to Baluch

[8] For an incisive account of the Baluch problem, see Selig S. Harrison, *In Afghanistan's Shadow: Baluch Nationalism and Soviet Temptations* (New York: Carnegie Endowment for International Peace, 1981).

populations in Iran and Afghanistan, would find that its centre of political gravity was located outside the subcontinent. This could well erode the 'sanctity' of the subcontinent's boundaries, thus laying open to question the immutability of India's own north-eastern frontiers. If the political unity of the subcontinent was of major concern to the leaders of the Indian national movement before 1947, the territorial integrity of the subcontinent (and, therefore, its potential strategic unity) is of equal concern to the policy-makers in New Delhi today.

However, in the context of a renewed or an imminent military confrontation with Pakistan, India's need for Soviet assistance to neutralize a US-supported Pakistan might outweigh these long-term considerations. In such an event, New Delhi's concerns about the sanctity of the subcontinent's frontiers may have to play second fiddle to Soviet aims regarding Baluchistan, especially if Moscow becomes seriously concerned about US intentions regarding the establishment of bases or facilities on the Baluchi coast.

If this happens—and it is not an unlikely scenario to conjure up in the light of recent events in South and South-West Asia—then we might be faced with a very messy, indeed tragic, situation at the end of the next Indo-Pakistani confrontation. For neither India nor Pakistan would emerge as the real victor in the next war. This consideration, however, may not necessarily prevent the next round of hostilities from erupting, especially since the initiative regarding subcontinental problems seems to be slipping from the hands of the regional contestants into those of external powers, for whom South Asia is merely another chessboard in their continuing game of competition for global power and influence. If this process is not reversed very soon, both India and Pakistan will suffer, and suffer greatly. The only difference is that while India would suffer a major setback in its quest for autonomy in regional and international affairs, Pakistan's ill-fated search for power parity with its larger neighbour could turn out to be a recipe for total disaster for itself.

**Corrigendum**: In the article 'Church and Pope in the Polish crisis' by Hansjakob Stehle (*The World Today*, April 1982), p. 147, line 27, for 'the Union's Agricultural Committee' read 'the Union's National Committee'.

PRINTED IN ENGLAND BY POPPER & COMPANY LTD, WELWYN GARDEN CITY, HERTFORDSHIRE

# THE WORLD TODAY

JUNE

Note of the month

ROYAL INSTITUTE OF INTERNATIONAL AFFAIRS

# THE WORLD TODAY

EDITOR: LILIANA BRISBY
EDITORIAL SECRETARY: JEAN PELL

**June 1982** **Vol. 38 No. 6**

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Manuscripts and correspondence should be addressed to the Editor, *The World Today*, Royal Institute of International Affairs, Chatham House, 10 St James's Square, London SW1Y 4LE.

# Note of the month

## THE FALKLANDS AND THE LAW

I

ANSWERS to questions about the status and future of the Falkland Islands and Dependencies will vary with who is asked—lawyers, ministers, parliamentarians, or the public—though answers may sometimes coincide. To confine the discussion to the response of lawyers and ministers, we shall find, on the one hand, that the law governing the status, disposal and defence of the Islands has changed over time, that there is some new law, and that law, whether international or national, is often uncertain—the House of Lords and US Supreme Court are each often divided; and, on the other hand, it is plain that ministers concerned with the future of the Islands, while sometimes making a tactical use of law, consider primarily what courses of action will both serve national interests, as they are seen, and satisfy their public.

The Islands consist of the Falklands and four other groups of islands: South Georgia and Shag Rocks; South Sandwich; South Orkneys; and South Shetlands. By Letters Patent (1908) these groups of islands and Graham Land, a coastal stretch of the Antarctic peninsula, were made Dependencies of the Falkland Islands, subject to the Governor-General and Executive Council. By Letters Patent (1917) 'all islands and territories between 20° West and 50° West and south of 50° South, and between 50° West and 80° West and south of 58° South' were declared to be British territories. This area then included not only the Falkland Islands and Dependencies, but also a sector of the Antarctic continent pointed from the South Pole. The sector as defined overlaps similar sectors claimed respectively by Chile and Argentina. In 1962, British Antarctic Territory was established as a 'separate colony' by Statutory Instrument 1962/401, which defined this territory as 'all lands and territories between 20° West and 80° West and south of 60° South'. The southern latitude limit was taken from the Antarctic Treaty (in force from June 1961), to which Argentina, China and the UK are among the parties, and which brings the whole area south of 60° South under an international regime: this then embraces the South Orkneys, South Shetlands and Graham Land. But Article IV of the Treaty provides that nothing in the Treaty shall be interpreted as:

> a renunciation by any Contracting Party of previously asserted rights of, or claims to, territorial sovereignty in Antarctica,

or

> prejudicing the position of any Contracting Party as regards its recognition or non-recognition of any other State's right of, or claim or basis of claim to, territorial sovereignty in Antarctica.

The Treaty in effect then places in suspense territorial claims to the South Shetlands and Graham Land, claimed by Argentina, Chile and the United Kingdom, and to the South Orkneys, claimed by Argentina and the United Kingdom.

They have therefore not been brought into the present dispute, which is limited to the Falkland Islands, South Georgia, and South Sandwich Islands, though the last do not appear to have been given much attention.

II

The history of the Falkland Islands and Dependencies is fragmentary, not surprisingly perhaps given their remoteness. Principal events leading to the occupation of the Falkland Islands by Britain were the revolt of Argentina, a vice-royalty, against Spanish rule, beginning in 1810 and bringing the province to virtual independence over the next decade; the establishment of an Argentine administration in 1829, under a Hamburg merchant as Governor, of the Falkland Islands; the seizure of three American fishing vessels for breach of fishing regulations in the area, which led to protests by both the United States and Britain. There being no response, Britain moved in in force in January 1833, expelling the Argentine soldiers and settlers. British occupation and administration, extended to the Dependencies, endured without any interference until 2 April 1982.

Argentina has asserted title to the Falkland Islands and Dependencies on various grounds from the end of the Second World War. In the prevailing mood of anti-colonialism, the British seizure of the Falkland Islands by force in 1833 is seen by Argentina as no different in form, and worse in character, than the Argentine intervention in 1982. In 1947, the United Kingdom proposed that the status of the Dependencies be referred to the International Court of Justice, which would have necessarily entailed some determination of the status of the Falkland Islands themselves. Argentina refused to take part in such a reference. It is reasonable to suppose that the Court would have found that the taking of the Islands in 1833 was not contrary to the law applicable at that time; but that, in any case, their continuing and undisturbed occupation and administration by Britain for a century and a half established a valid title.

The law has, in fact, changed. The taking of the Falkland Islands by force in 1833 was not contrary to such law as was applicable at the time. Comparable were the British occupation of Ascension Island in 1815, and the capture of Aden by a naval force of the British Government of Bombay in 1839. But the intervention by Argentina by force in the Falkland Islands is plainly an armed attack contrary to its obligations under the UN Charter, Article 2(4), which provides that:

> All Members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any State, or in any other manner inconsistent with the Purposes of the United Nations.

British territorial integrity has been broken, and the UN Purpose, stated in the Charter, of 'suppression of acts of aggression and other breaches of the peace' has been impaired. Security Resolution 502 confirms this conclusion.

III

What then of the United Kingdom reaction in force? What has just been said is qualified by Article 51 of the UN Charter, which provides that:

> Nothing in the present Charter shall impair the inherent right of individual or collective self-defence if an armed attack occurs against a Member of the United Nations, until the Security Council has taken the measures necessary to maintain international peace and security. . .

The right of individual self-defence can certainly be invoked by the United Kingdom against the armed attack by Argentina. But, as for all broad concepts, limits have to be found and set to self-defence, if it is not to become an open door to any action. Measures and action taken in self-defence must be then confined to the reversal of the armed attack and its effects, and must in the scale of, for example, weapons used, targets attacked, and effect on civilians, be proportionate to the achievement of that aim. How far does the declaration of a maritime exclusion zone around the Falkland Islands come within the right of self-defence? Extended up to 200 miles from these Islands, it is in great part an area of the high seas, and also overlaps an area of the 200-mile territorial sea claimed by Argentina. Is the declaration contrary to international law, as the USSR suggests?

The high seas are free and open to all vessels, surface or submerged, as is the airspace to all aircraft. The High Seas Convention, in force since 1962, is carefully silent about the exercise of the right of self-defence on the high seas, while Article 8(1) states that:

> Warships on the high seas have complete immunity from the jurisdiction of any State other than the flag state.

But Article 2(1) also states that

> Freedom of the high seas is exercised under the conditions laid down by these articles and other rules of international law.

It can then be said that the inherent right of self-defence, recognized in the rule set out in Article 51 of the UN Charter, will, if properly exercised, prevail over the freedom of the high seas: that is to say, its exercise would be strictly limited to the policing of, and when clearly necessary, the use of arms against, vessels or aircraft supporting the original armed attack.

Where the maritime exclusion zone overlaps part of the territorial sea claimed by Argentina, it could be said that international law does not recognize a territorial sea extended to 200 miles from coastal baselines. While it is true that all the South American countries, except Colombia and Venezuela, claim territorial seas up to 200 miles, and the Territorial Sea Convention, in force since 1964, does not prescribe a particular limit, state practice in recent years has taken 12 miles as the acceptable limit, and this has been specified in the negotiating text of UNCLOS. It can then be concluded that states can refuse recognition of a 200-mile territorial sea, as being an impermissible intrusion into the high seas. The maritime exclusion zone, itself not a claim of territorial sea, would not then be an infringement of the territorial sea of Argentina; and it appears that a subsequent order has extended the zone up to 12 miles from the coast of Argentina.

IV

Another rationale advanced by United Kingdom Ministers to justify the use of force around the Falkland Islands is that it is designed to make aggression ineffectual and unprofitable, so warning and discouraging other potential aggressors. This is plainly not an exercise of the right of self-defence; further, Article 51 of the UN Charter makes it clear that the suppression of aggression, as a UN purpose, is the exclusive responsibility of the Security Council. But where the Security Council does not take the necessary measures, prescribed in Chapter VII of the UN Charter, against an unlawful armed attack against a UN member—it has so far only called for the withdrawal of Argentine forces from the Falkland Islands—the question arises whether exclusive responsibility passes to the UN General Assembly, or whether countries may, individually or collectively, take economic measures or use force to restrict or punish the aggression. Such a question can be answered only within the UN itself, to which Argentina must refer it, if it seeks an answer.

V

A new development in the law of the sea has been the recognition of the right of coastal states to explore and exploit the natural resources of their adjacent seabed on the continental shelf up to a depth of 200 metres or beyond that to the limits of exploitability: Continental Shelf Convention, in force since 1964, Articles 1 and 2. Where such areas of continental shelf of two or more countries overlap, boundaries must be determined by agreement between them: Article 6(1). Such agreements have been reached over the North Sea. The Falkland Islands stand on the continental shelf of South America; it would therefore be necessary, if they are to remain British, for an agreed boundary to be drawn between the continental shelves assigned to Argentina and to the Falkland Islands. This could be, perhaps, a positive element of common interest that might help to resolve the dispute, or take the place of arid claims to sovereignty.

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# Is a new détente possible?

ROBERT McGEEHAN

THE fabric of international relations since 1945 is interwoven with the threads of recurrent attempts to end, to win or to ignore the fractious and persistent East–West struggle. The protraction of the bipolar power configuration, resting especially on the nuclear arsenals of the United States and the Soviet Union, has generated fear and frustration among both allies and enemies of the super-powers despite the strategic stability which the balance of terror has maintained. The détente of the 1970s, which many hoped would mitigate if not alter the reality of the struggle, has been replaced by a new cold war between Washington and Moscow. Cold War II, however, differs from its predecessor in two important respects: during Cold War I, the United States was strategically superior to the Soviet Union, and the Western Alliance was cohesive in its dealings with the Eastern adversary. Today, neither of these obtains. The Russians presently enjoy strategic parity; a virtual monopoly on long-range land-based missiles in the European theatre; and a conventional posture which has long had a quantitative advantage over Nato forces. The other difference lies in contrasting perspectives within the Atlantic Alliance of the nature of East–West relations and how best to manage them: while the Reagan Administration is persuaded that the Soviet Union is an expansionist, aggressive power which must be firmly dealt with and contained by the political will to use military force, America's allies have resisted the return to a cold-war posture and endeavoured to preserve both the material benefits and the political-psychological atmospherics of the détente period. What future, if any, détente may have depends on a variety of factors, from its conceptual underpinnings to its role in state behaviour.

## Détente in comparative perspective

The concept of détente is necessarily relative, and has meaning only in a context of possible alternatives. It is less confrontational than cold war, but less collaborative than entente. The relaxation of tensions or lessening of strains between states usually associated with the concept is more impressionistic and even 'atmospheric' than amenable to rigorous analytical precision. In the abstract, it may be confrontation by other means, a prerequisite to limited accommodation, or both. Détente's conceptual attributes are those of its limitations; it does not assume a relationship between states comparable to 'friendly relations' between individuals. Indeed, the widespread disillusionment with Détente I, based on hopes Western leaders did little to discourage, is closely related to the error of public expectations that there would occur a magnification of East–West accommodation.

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In current usage, Détente I may refer to the period of the 1970s as the decade of détente; the SALT process pertaining to strategic arms control; the Helsinki process associated with the Final Act of the Conference on Security and Co-operation in Europe; such policies as the Federal Republic of Germany's *Ostpolitik*; or the Nixon–Kissinger approach to the management of the adversary relationship with the Soviet Union. It is the last of these, in the sense that this basic approach was followed by American governments for the rest of the decade, which now stands discredited. Détente I's most persistent characteristic was its ambiguity: so useful in its initiation, the equivocality of the concept became counter-productive when the United States and the Soviet Union accused each other of violating its implications.

The vagueness of what détente meant, and did not mean, permitted the participants in the international processes associated with it to define détente according to their presumed national interests without subjecting its political meaning to the same scrutiny or critical examination as its formal and legal manifestations. Arms control agreements between the United States and the Soviet Union, for example, were painstakingly negotiated and their language phrased with laborious precision; but in the end there proved to be no comparison between the technically specific agreements on strategic weaponry and the conceptual confusion about the nature of the supposedly more relaxed super-power relationship. As tensions again increased in the later 1970s, it was finally realized that there was neither a 'spirit of arms control' nor a 'code of détente'.[1]

The balance of power had already shifted to the disadvantage of the West by late 1979, when the debate on the SALT II agreement went beyond the terms of the accord to scrutinize all the political-military aspects of Moscow's policies. As American dissatisfaction with real or imagined Russian behaviour grew, it was inevitable that the shock of the Soviet invasion of Afghanistan would mean throwing out the baby of strategic arms control along with the bath water of détente. Since that event, the United States and the Soviet Union have been unable (and probably unwilling) to pick up the pieces of the shattered experiment, or to resume the dialogue which its proponents hoped might both stabilize and civilize the super-power relationship. The rhetorical exchanges between Washington and Moscow have, however, been considerably more hostile than the behaviour of either, and their operational policies much less confrontational than their posturing. Détente I will not reappear; whether a new, and different, détente is possible depends on many factors, including the vital one of future conceptual clarity.[2]

[1] Organizations such as the Committee on the Present Danger, many of whose members are now high-ranking officials of the Reagan Administration, had been arguing this for several years on the grounds that the unparalleled Soviet military build-up was intended to support 'a program of expansionism even more ambitious than that of Hitler' and that the false détente of the 1970s was more dangerous than the appeasement of the 1930s—a policy of drift built on an illusion. See, for example, 'The 1980 Crisis And What We Should Do About It', CPD, Washington, DC, January 1980.

[2] The word itself has surprisingly managed to avoid the semantic purgatory in which appeasement remains; false détente is surely gone forever, but 'genuine détente' is acceptable. This phrase was used in a Nato communiqué of May 1981, and contains future promise as

**Past and present context**

At least three aspects of enduring relevance in post-war East–West relations are germane to this analysis. The first of these is the continuity of the bipolar pattern of international politics. The loosening of alliances, the rise of the Third World, the proliferation of nuclear weapons, the changing economic dimensions of world-power patterns—none of these profound developments has fundamentally altered the predominance of the super-powers. Although one can argue, with reason, that such players in the global game as China, Japan, OPEC or the European Community have assumed roles underlining the complexity rather than the simplicity of the international scene, the persistence of the military predominance of the United States and the Soviet Union has meant that, however accommodating might be the predispositions of others, on the global scale there can be no systemically stable détente which does not embrace Moscow and Washington in their dealings with each other.

A second factor is the centrifugal tendency of alliance relationships in the wake of a diminished perception of the magnitude of the external threat which was the Alliance's original *raison d'être*. Détente began in the 1960s not only because the super-powers had recoiled from the prospect of mutual destruction which the Cuban missile crisis conveyed, but because it seemed more appropriate to seek accommodation with each other as their formerly more docile alliance partners asserted individual national interests. In the present context, one of the main reasons why the United States cannot jettison the European residue of détente is because of the necessity of allied support for the Nato decision to proceed with intermediate-range nuclear-force (INF) modernization, while exploring arms control possibilities. Should American policy permit an easing of the present cold-war relationship with Moscow, it will be less problematical to move back towards a position which the allies never fully abandoned; meanwhile, US willingness to conduct INF negotiations with the Soviet Union inhibits Nato's centrifugal tendencies.

Thirdly, there has not developed any replacement for the balance of terror. Strategic stability, despite a number of putative technological breakthroughs, central systems imbalances or windows of vulnerability, has remained remarkably dependable for a third of a century, and the Soviet-American coexistence-without-war has withstood numerous crises, challenges and insults which in an earlier time would have been almost certain to provoke hostilities. The balance of terror has not, of course, turned out to be so stable by accident; on the contrary, the super-powers (and their allies) have taken great care to avoid direct military confrontation, and have ultimately respected (rhetoric notwithstanding) each other's recognized zones of influence and areas of vital interest. In the nature of things, it cannot be conclusively proven that deterrence has 'worked'; Moscow and Washington have, nevertheless, been quite prudent and neither has assumed that the balance of terror is self-perpetuating. The possibility of great-power conflict remains more closely related to the escalation of a conventional force con-

well as past disapproval. See Robert McGeehan, 'The Atlantic Alliance and the Reagan Administration', *The World Today*, July-August 1981.

frontation in a Third World area than to super-power non-compromise at the strategic level. To the extent that détente is posited as the alternative to global holocaust, coexistence should remain a conscious policy objective rather than the semi-automatic by-product of the disinclination to experience nuclear war. In this limited sense, it is unlikely that there will be a full return to cold-war bullheadedness.[3]

Whether the relations between the super-powers and their alliances have so deteriorated that détente is moribund is more than a verbal quibble. There is a self-reinforcing, if not self-fulfilling, element in the dynamics of East-West interaction, and the outlooks and expectations of statesmen on both sides are conditioned by the bombast and posturing of their adversaries as well as by their actions. Yet, beyond the atmospherics, the most important single precondition for an American willingness to consider a Détente II is the redressing of the perceived military imbalance to which is attributed the Soviet misbehaviour that undermined Détente I. This view posits that, as the correlation of forces shifted to the Russian advantage, Moscow's restraint evaporated; the direct and indirect results were Soviet interventions in Africa, the invasion of Afghanistan, the encouragement of instability in Latin America, and the intimidation of Poland.

For most leading officials of the Reagan Administration, the détente of the 1970s was illusory and dangerous. Previous American governments were responsible, they believe, for the fostering of mistaken interpretations whose profound flaws resulted in a failure to maintain the balance of power; while the Western countries voluntarily went beyond the limitations of the arms control agreements to refrain from alternative weapons acquisitions, the Russians took advantage of their less cynical interlocutors to indulge in an unremitting military augmentation intended to assure strategic, theatre and conventional superiority. Not only was there no Soviet reciprocation of what, if adopted by both sides, might have become a spirit of arms control; the Soviet Union went further, according to this argument, and abandoned 'restraint' in its international conduct. It engaged in a pattern of Third World adventurism so inexcusable and provocative that it became brutally (and for some former officials, embarrassingly) clear that there was not, and had never been, any code of East-West détente elsewhere than in the European arena and on specific topics. Arms control limitations had thus related to explicitly delineated items and little else, and détente (such as it was) had been a narrow state-to-state process of tactical political-military expediency, and not a strategic precursor of Third World accommodation, ideological de-emphasis or mitigation of the power struggle.

## US-European divergence

These realizations were, and remain, more disturbing for the United States than for its Atlantic partners. Although it is misleading and analytically overgeneralized to speak of 'the allies' or 'the Europeans' as if the great variety of

[3] But in the light of the erosion of American superiority, might there have to be, for a new détente, a super-power crisis reflecting the modified correlation of forces?

views between and within countries could be so broadly subsumed, one can nevertheless suggest certain contrasts. The most obvious of these concerns détente itself: whereas the current American view is that the détente of the 1970s ultimately operated against Western interests as the Russians relentlessly persisted in their military build-up and increasingly tended to meddle in areas previously outside their scope of involvement, the European judgement has stressed the manner in which détente has operated beneficially—in easing strains between the zones of a divided Europe, in facilitating human contacts across cold-war borders, in opening trade and commercial opportunities, in encouraging East–West negotiations and discussions on the governmental level in a host of fora (most importantly those concerned with security and arms control), and generally in enhancing prospects for peace through mutually beneficial accords.

It is often suggested that Europeans tend to take a regional perspective while Americans adopt a more global view. To the degree that this contrast has some validity, it is partially attributable to Europe's failure to develop its own military capabilities to an extent sufficient to amount to a credible political force, but this in turn is because the Soviet Union is perceived less ominously in Bonn, Paris or perhaps even London than in Washington. There is virtually no European equivalent to the Reagan Administration's intense preoccupation with the global Communist menace, and this contrast has saved détente in Europe from the fate it has suffered on the other side of the Atlantic. Even the disturbing dénouement in the Polish crisis reflects trans-Atlantic differences: while agreeing on ultimate Soviet responsibility for the imposition of martial law and the repression of Solidarity, Western European reaction has been more cautious, and criticism of Moscow's role less harshly expressed than American indictments.[4] Nor have the inconsistencies and contradictions of Washington's 'linkage' rules passed without notice. Why, it was asked, did the United States continue to supply grain to the Soviet Union when it was urging an economic offensive to punish the Russians for their role in Poland? And why should the commencement of the strategic arms reduction talks (START) depend in part upon so-called international conditions, by which was meant the situation in Poland, when the Geneva negotiations on intermediate-range nuclear forces (INF) were put in a special category, exempting them from punitive linkages? There are no facile answers to these questions, but their presence is a reminder that East–West relations since détente have been more rather than less difficult to analyse; during the period of Cold War 1, relationships were more hostile but less confusing. By the same token, they also reflect persistent differences within the American government, which only now is settling its priorities and trying to elaborate a coherent strategy for dealing with the Russians.

The Soviet Union, in line with its ceaseless attempt to split the Alliance, has played upon the hopes and fears of Europeans using its own acrobatic tactics, from championing the demands of the so-called peace movements to reminding Nato members of their atomic vulnerability. The latter efforts have included

[4] See Hugh Macdonald, 'The Western Alliance and the Polish crisis', *The World Today*, February 1982.

crude threats, such as public insinuations that any state accepting the new American intermediate-range missiles will be added to the Soviet nuclear target list, and crude promises that countries refusing these weapons will not be so targeted.[5] The Soviet propaganda campaign has fared better on the popular than on the governmental level, not least because of the unwitting assistance of a number of verbal and rhetorical *faux pas* by United States officials (including the President's frank but disconcerting revelation that he could imagine a limited nuclear war in Europe). Since the Soviet leadership associates the favourable changes in the correlation of forces with détente, it is not surprising that a major effort is made to retain as much of its European dimension as can be salvaged in the present period of American firmness and political-military resolve.[6] The remnants of Détente I in Europe will, however, over time exacerbate trans-Atlantic differences on how to cope with a militarily powerful Soviet Union whose more proximate intentions cannot be known but whose capabilities are disturbing. Current US complaints about the inadequacy of allied defence efforts compound the malaise; as some Senators have charged, Western Europeans are 'pursuing their own private little détente' and Americans 'are getting sick and tired of spending to protect those who are reluctant to protect themselves'. Such views are, of course, more emotional than logically balanced, but they reflect the growing provincialism which threatens Nato's cohesion.

### The arms control conundrum

Throughout Détente I, SALT was the centrepiece of the East–West relationship because it was put there. The collapse of détente, which preceded the Soviet invasion of Afghanistan but was cemented by that dramatic event, and the presidency of Ronald Reagan, whose campaign oratory had repeatedly condemned the SALT II agreement, meant that the arms control process would have to re-commence if it was to recover from the disrepute into which it had fallen.[7] But for this to be possible American officials have first to be convinced that the conditions are favourable: the first and most crucial of these is that the United States have its strategic modernization programme in place and that there will have been built the strength from which to negotiate. The Reagan Administration has complained that its objective, a massive renewal of United States forces as a precondition to the exploration of major reductions, has been unfairly caricatured by critics who are impatient and insistent upon an instant nuclear 'freeze' or other superficially attractive variants of immediate arms control. The groundswell of public concern about the dangers of nuclear war has forced the Administration to repackage its policies in more attractive pro-arms-control wrappings, but there has been no departure from the fundamental belief, which

[5] How such threats and promises can be reconciled with Moscow's well-publicized stand in favour of 'no first use' of nuclear weapons remains unclear.

[6] What is perhaps surprising is the amount of unpleasant criticism which Moscow is willing to abide to do this, for example in sitting through an enormous amount of public abuse in the CSCE review sessions in Madrid in order to keep the Helsinki process alive.

[7] In practice, neither the United States nor the Soviet Union has 'violated' the unratified agreement, but super-power negotiations on what might replace the earlier arrangements have yet to be resumed.

is supported by the evidence of Soviet behaviour, that the adversary is unlikely seriously to negotiate arms reductions unless the United States first demonstrates a willingness to maintain the balance through force deployments.[8]

The arms control conundrum is illustrated in the current deadlock in the INF negotiations in Geneva. Concern here is with the Soviet deployment of modern, mobile SS-20 intermediate-range missiles, for which there is no Western equivalent. While some observers note that there may not have been a compelling military reason for Nato's December 1979 INF decision, the political and psychological dimensions of a perceived imbalance outweigh strictly military considerations. By placing such emphasis on the need for INF modernization, Nato called special attention to its deficiencies in theatre forces. With super-power strategic parity, the advent of ICBM vulnerability, and the ageing of the Nato aircraft which are its only longer-range nuclear systems in Europe, modernization has become important both to strengthen deterrence and to underline the security identity between America and Western Europe.[9] Although the political rationale for the 1979 decision has changed as domestic opposition to nuclear weapons has increased and as some Americans have mistakenly come to consider its implementation a test of alliance solidarity, Nato has painted itself into the corner of going forward with it despite these developments. Neither the particular weapons nor their numbers are of great importance; what does matter is that the United States, in the President's words, goes to the Geneva negotiations 'with some bargaining chips of its own'.

### The prognosis for East–West relations

Both détente and arms control depend on the American perception of a restored military balance; assuming this can be achieved to the Reagan Administration's satisfaction without triggering yet another round in the arms race, the possibility will exist for at least limited accommodation on contentious issues, and another attempt to work out some rules of the game for a political struggle which will not be expected to fade away. Whether this possibility is realized will depend on judgements in Washington and Moscow that the ingredients of Détente II are compatible with their vital interests. Until now, neither super-power has had much incentive to make a major effort to break the stalemate; but this could well change if the stridency of the rhetoric is eased as the realizations grow that the record of recent international behaviour is less outrageous than its reputation,[10] and that economic pressures as well as political realities suggest a mutual interest in force reductions and the eschewal of futile attempts at military superiority.

Recent evidence does not indicate immediate change. In the last months, the

[8] The address of the US Secretary of State, Alexander Haig, at Georgetown University on 6 April 1982 contains a coherent and well-articulated statement of the US position on nuclear deterrence and related matters. President Reagan's Eureka College address on 9 May clarified, at last, the American approach to START; dropping linkage, he offered to resume negotiations on long-range missiles by the end of June 1982.

[9] See Christoph Bertram, 'Rethinking arms control', *Foreign Affairs*, Winter 1980/81.

[10] See International Institute for Strategic Studies, *Strategic Survey 1981-1982* (London: IISS, 1982).

super-powers have traded charges of improper interference in Poland and El Salvador; published slick and one-sided pamphlets intended to show that the other side is engaged in an orgy of weapons acquisition which, in far exceeding defensive needs, can only have the most sinister implications; and accused each other of juggling the estimated number of nuclear delivery systems in the European theatre so recklessly that the rival negotiating positions tabled in the Geneva INF talks can only guarantee deadlock. These and other cold-war-type polemics have been accompanied, however, by super-power behaviour which has been neither confrontational nor irresponsible. The United States has not, after all, sold sophisticated weapons to the People's Republic of China or uncompromisingly opposed the gas pipeline deal or seriously endeavoured to destabilize Eastern European states; nor has the Soviet Union invaded Poland, undertaken new and dangerous Third World adventures or compounded its error in Afghanistan by going beyond a holding action.

On the contrary, present trends include renewed interest in the East and West in trade discussions, arms control negotiations, summit meetings and other steps towards more stable relationships. The strategic balance remains reliable and rests upon a condition of deterrence whose foundation of mutuality of risk, compounded by virtual certainty of escalation, has not substantially changed despite the arcane theories of critics reluctant to accept the stability of Mutual Assured Destruction. Having branded Moscow as a state embarked on interventionism, expansionism, terrorism and militarism, it will not be easy for Washington to change pace or direction. Yet, just as Richard Nixon had the anti-Communist credentials for the opening to China, so Ronald Reagan has the credentials to initiate a new relationship with the Soviet Union.[11]

Soviet spokesmen have proclaimed that the USSR cannot be pushed around any longer, and American officials have repeatedly demanded Soviet international restraint. Whether a balance can be struck between these values, which are potentially but not necessarily incompatible, will determine not only whether a new détente is possible but the tenor of the super-power competition and with it the broad mould of East-West relations in the 1980s. During Détente I, Soviet policy embarked on a quest for military superiority when simultaneously endorsing political détente, while the West saw these as alternatives. Neither the US nor the USSR will tolerate inferiority, but on the super-power level the military balance is no less psychological than quantitative. Genuine détente should permit security based on balanced power: Soviet and American capabilities are not, in fact, very different—but until both accept this, the quest for a new relationship cannot even begin.

[11] William G. Hyland has pointed out that Reagan is creating the necessary military base, he does not have to embrace détente, he does not have to oversell or undercommit—and he is 'a perceptive student'. See 'US-Soviet Relations: the long road back', in *America and the World 1981*, *Foreign Affairs*, Vol 60, No 3, 1982.

# France under Mitterrand: domestic problems

PAUL HAINSWORTH

THE 1981 French presidential and parliamentary elections resulted in such overwhelming victories for François Mitterrand and the Socialist Party (PS) that many political commentators doubted the early renaissance of the demoralized and divided right-wing forces. The left-wing successes consummated a decade of consolidation, policy refinement and morale-boosting local government returns. By 1981, only isolated constitutional pockets of right-wing resistance remained intact—e.g. the Senate, the not too powerful upper electoral chamber, and the Constitutional Council, a Gaullist watchdog. Moreover, the French Communist Party (PCF) suffered electoral defeats which were underlined by Mitterrand's presidential status and the overall legislative supremacy of the Socialist Party (285 out of 491 seats) in the National Assembly. However, by the end of the first year of Socialist rule, the Right had combined impressively in the cantonal (i.e. county councils) elections of March 1982, and the Left was confronted by a panoply of difficulties, ranging from differences on the scope and speed of change to increasing pressure group opposition to its ambitious programme of reforms.

Mitterrand won the 1981 presidential election for two main reasons: right-wing divisions, abstentions and disillusionments, and his own ability to outdistance the Communist Party and rally a broad base to support his call for change.[1] Once in office, it was difficult to ascertain and measure the desire for change within the Socialists' electorate. Because of political and socio-economic divisions, the latter divided on the implementation of the Socialists' legislative propositions.

The government, led by Pierre Mauroy, promised to implement electoral declarations which, in brief, represent a collective package of qualitative and quantitative reforms, designed to promote change and social justice. The philosophic orientations of the government rest upon key themes such as decentralization, *autogestion* (self-management) and the creation of a 'new citizenship'. The principal instruments of transformation include the nationalization of eleven crucial industries and the remaining private banks and credit institutions in order to spearhead a coherent, planned, economic *relance* which will ease unemployment, the main priority, by generating increased productivity, investment and consumption. The regime's philosophic underpinnings are too complex to discuss here but, in short, the programme of change envisages a change of men-

[1] See Paul Hainsworth, 'A majority for the President: the French Left and the presidential and parliamentary elections of 1981', *Parliamentary Affairs*, Autumn 1981.

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talities as much as it seeks to resolve the classic societal question of 'who gets what, when and how'. Of course, the qualitative and quantitative angles are interdependent: specific measures to reduce progressively the working week to 35 hours or cut the age of retirement to 60 years are situated within the conceptual objectives of the coalition government. Significantly, the attempt to relaunch the economy stands in stark contrast to monetarist, restrictionist, austere policies practised by France's international competitors and the previous government of Giscard d'Estaing and Raymond Barre.

In return for prompt action in a number of disfavoured sectors (e.g. the national minimum wage, family allowances, the handicapped, a shorter working week and year etc.), the government expects—and largely receives—trade union and working class goodwill as a prerequisite for moving on to further reforms (e.g. better conditions and rights within the workplace). In 1981, the new regime benefited from a prolonged honeymoon. Encouraged by this 'state of grace', the size of their electoral victories and the positive assessment of the 1982 OECD report on France's economic policies and prospects, the Socialists promised to maintain the pace of change and proceed with their programme. However, swimming against the prevailing economic tide has proved a difficult task for politicians more accustomed to oppositional politics than to managing the reins of office. Hence, by the turn of the new year, the first real signs of regress were evident.

**After the 'state of grace'**

In January, the Socialists lost four (out of four) by-elections to the Right. Wisely, the PCF chose not to submit itself to the test at this stage. The main beneficiaries were the Gaullists (the RPR). One of the new deputies was Alan Peyrefitte, the former Justice Minister, whose 'Security and Liberty' Act was a major target for repeal in the Socialists' list of priorities (see below).

The by-elections coincided with increased popularity ratings for Mitterrand and Mauroy so the main loser was the PS. Signs of increasing impatience with Socialist ministers and proposals followed close on the heels of the by-elections. The main targets were the Minister of the Interior and Decentralization, Gaston Defferre, ('since when was a French Interior Minister popular?' argued Defferre) and one or two ministers confronted by discontented pressure groups, e.g. Edith Cresson (Agriculture) and Georges Fillioud (Communications). Further, the Constitutional Council raised objections to nationalization proposals, especially relating to levels of compensation and the position of foreign-based subsidiaries. Mitterrand had always seen this body as a political instrument and the Communist-Socialist Common Programme of 1972 included proposals for its reform. The verdict by this austere body of Gaullist and Giscardian appointees provoked the call for purges or reform from the PS deputies and rank and file. Indeed, in October 1981, at the Socialists' Congress at Valence, there were calls for heads to roll. In fact, as Vincent Wright shows,[3] many heads *did* fall (e.g. in the civil service, the universities, the Planning Commissariat, the media etc.), but

[3] Vincent Wright, 'The change in France', *Government and Opposition*, Autumn 1981.

Mitterrand wished to avoid the stigma of a witch-hunt and, therefore, respected the decision of the Constitutional Council. After all, the principle of nationalization was not in question, merely the details. In any case, Mitterrand was unwilling to embrace the same 'colonization' of the state as practised by his predecessors. Consequently, the first year of Mitterrand's regime was characterized by the difficult reconciliation of the desire for change with the concern not to emulate the previous right-wing era.

It was a continual source of grievance to the PS and PCF that many of the old regime's administrators and appointees remained in influential and disruptive positions, from which they could discredit, obstruct and falsify government business. In March, the debate came to a head when the Right won the cantonal elections and the media became a scapegoat for the Left's defeat. The latter should not be exaggerated since the Socialist/Left-wing Radical (MRG) vote held up well. Nevertheless, the March elections were taken as a sort of watershed in the first year of Mitterrand's France.[3]

After the cantonal elections, the Right called for a U-turn. More seriously, an increasing number of Mitterrand's allies and supporters broached a hitherto taboo subject— a 'pause'. Possibly mindful of the unhappy experience of the Popular Front in the 1930s, the government promptly dismissed this option. According to Lionel Jospin, the PS's first secretary, this constituted 'a false debate'. The mandate for change was reaffirmed: there would be no acceleration of the timetable (as the PCF wanted), nor any relaxation (to please the MRG and some Socialists). The principal Socialist conclusions from the cantonals diagnosed no reason for panic or alarm. The media had played an important anti-Socialist role whilst the Right had mobilized its forces better. In addition, the Left had underestimated the Right's capacity for unity. More significantly, the Socialists recognized some of their own shortcomings. The *autocritique* accepted that, in the eyes of the electorate, 'the politics of change' lacked coherence, clarity and tangibility. The government needed to explain and present its programme better. Possibly, the 'grand orientations' of the party were insufficiently appreciated by the electorate. Further, the reforms failed to insert themselves into the daily reality of the electors. After nine months, and despite some progress, change was more apparent than real.

Without doubt, the self-criticisms were close to the mark, but the basically complacent attitude of the government failed to satisfy all. Consequently, criticisms abounded within the rank and file and echoed within the government. In a rare display of unity, the social-democratic Rocardians (i.e. supporters of Michel Rocard) and the CERESians (i.e. the left wing within the PS) agreed on the need for a debate within the PS on the objectives of the government. Jean-Pierre Chevènement, the leading CERESian and Minister of Research, stole some of Mitterrand's 1981 clothes by calling for an enlargement of the left-wing majority to consolidate the base. Essentially, Chevènement favours a rallying (*rassemblement*) of forces to recapture the *élan* of May 1981. Various commen-

[3] See Carroll Dorgan and Jonathan Marcus, 'The French cantonal elections: local skirmish or national test?', *The World Today*, May 1982.

tators see this as akin to the PCF's old cry for a broad anti-monopolist alliance. On the other hand, Rocard has consistently favoured a compromise between elements from the old majority coalition—centrists, social democrats, progressive bourgeois forces etc.—and the 'softer' parts of the current ruling majority. Hitherto, Rocard (a one-time presidential hopeful for 1981) and his supporters kept their peace and, at Valence, the Rocardian tendency lost some ground within the PS. Cynics urged inquirers to look at the speeches of Edmond Maire (leader of France's second largest trade union, the CFDT, and a close friend of Rocard) to decipher Michel Rocard's thoughts.

The cantonal elections opened up a debate within the government and on the left. The course of this ongoing discussion is tempered by the role of major pressure groups vis-à-vis Mitterrand's regime. The interplay between these groups and the government indicates some of the difficulties faced by the Socialists in trying to implement electoral promises.

### Pressure group activity

The strategy for victory sowed the seeds of prospective discontent. The divergent components of the 1981 electoral bases pull in contradictory directions—some for more change, others for less. The management of this dichotomy poses a considerable test for the government.

In the vanguard of pressure group opposition to the Socialists are employers represented mainly by the CNPF (the 'Patronat'). The government recognizes that its economic objectives rest on *concertation* with the Patronat, but the latter remains ideologically predisposed to the opposition parties. The Patronat opposes what it sees as a doctrinaire government and the list of grievances is long, ranging from hostility to the nationalization proposals to distrust of the PCF's role within the government. The employers contend that the government's costly social welfare and economic restructuring plans should not be constructed on the backs of reduced profit margins, high company taxation etc. In particular, they doubt the economic wisdom (in terms of productivity and competitiveness) of the reduced working week (in stages to 35 hours) and an additional, fifth week of paid holidays. Moreover, the so-called 'Auroux Plan' which seeks to extend the negotiating and collective bargaining facilities of workers is seen as an unnecessary intrusion into existing labour relations. As for nationalization and economic planning, the Socialists present these as key regenerative measures designed to 'reconquer the domestic market', stimulate investment, productivity, innovation, research, employment, social reforms etc.

Comparisons with immediate postwar nationalizations are *à la mode*, but the Patronat rejects this interpretation. Recently, a degree of Patronat–Government concertation has emerged, but this climate of dialogue rests, at least, on the debate about 'the pause' and the government's resolution (or lack of it) to proceed with reforms. Some Socialists urge a better explanation of government policy to the employers in the hope of winning them round to measures in the pipeline. Others doubt the fruits of this course of action.

Employers are understandably suspicious of measures such as the 39-hour

statutory working week. Moreover, such proposals are inadequately clarified to trade unionists and blue-collar workers, nor appreciated by white-collar and professional classes, who query the relevance to their own working situation. The trade unions question the modalities of the 39-hour week and the argument has centred on the equation: less work = less (or the same) pay. At times, contradictory ministerial and presidential statements have served only to confuse the debate.

The trade unions are concerned to maintain the purchasing power of their 'clientele' and fight unemployment, at the same time benefiting from anticipated reforms—new rights for workers, the 35-hour week, *autogestion* etc. The change of government altered the climate of trade union/government relations and according to Georges Seguy (leader of France's largest trade union, the CGT), the government is no longer an adversary but a partner. With the end of the initial honeymoon period, strikes are on the increase, but a loose social contract exists from which both sides benefit. Unavailable to Léon Blum in the 1930s, this modus vivendi is an important prop to the government. Ultimately, the unions and the government are still feeling their way in an unfamiliar setting and the former will be looking to the latter to reduce the 2 million (i.e. 8.5 per cent) unemployed, maintain purchasing power and move swiftly to implement promised reforms.

The same concern to maintain incomes is evident in the agricultural sector, which has given the government some of its stiffest problems. The French farmers' lobby is represented mainly, but not exclusively, by the FNSEA (*Fédération Nationale des Syndicats d'Exploitants et Agricoles*). In March, the FNSEA and allies organized 100,000 demonstrators against the government to persuade the Agricultural Minister to support higher food prices and give better guarantees. As a result, the government was forced to treat agriculture as a priority area and Mitterrand, generally content to occupy a back seat in such disputes, intervened to this effect. The government stands accused of incompetence and lack of sympathy. According to Jacques Chirac, the Gaullist leader, the Socialists have never understood the farmers—hence, the absence of concertation. Moreover, the conservative FNSEA is distinctly out of tune with much of the government's thinking. It resents the deliberate loss of status in the government's eyes and mistrusts the attempts to reform marketing structures via *dirigiste* methods. A further grievance emanates from the wine-growing lobby and small farmers/peasants who oppose the influx of cheap Italian wines and the Socialists' sympathy for an enlarged EEC.

Reservations amongst employers, trade unions, blue-collar workers and farmers/peasants are compounded by the opposition from the ranks of the *cadres*—i.e. the professional middle classes, managers, market researchers, engineers, personnel and public relations workers etc. In 1981, many of these diverse categories voted Socialist. At the higher end of the scale (*les cadres supérieurs*), about 30 per cent of the 1.3 m. voted for Mitterrand whilst, further down (*cadres moyens*), about 60 per cent of the 2.7 m. voted similarly.[4] Gradually,

[4] *Le Nouvel Observateur*, 20–26 March 1982.

and for various reasons, this heterogeneous body has swung away from the PS. One of the major unions representing the *cadres* (the CGC) also resents its loss of status with the change of government and regrets the Socialists' tendency to listen to other unions representing cadres (i.e. the CGT, CFDT, CFTC, FO). More generally, the flight of the middle classes can be discerned from the cantonal elections. According to Colette Ysmal,[5] the Socialists polled well in traditional areas of support but not in rural districts or areas of 'new socialism' i.e. the 1973-81 gains amongst the urban and suburban middle classes, *les cadres moyens et supérieurs* and white-collar workers.

Again, the disaffection of *cadres* should not be exaggerated nor over-estimated. To some extent, it is inevitable that the middle classes feel squeezed by a Socialist–Communist majority committed to a programme of change and the demands of the industrial working classes. Nevertheless, the growing reservations reflect a wider discontent with the current government. Latterly, the government has been forced to rethink some of its proposals (e.g. the abrogation of the law on 'Security and Liberty') and, at the same time, faces difficulties elsewhere—terrorism, violence and political scandal. To a degree, these patterns incorporate the Right's ability to exploit situations for political gain, but collectively, they open the government to further charges of incoherence and lack of clarity. For instance, the back-sliding on the Peyrefitte Law is particularly embarrassing for the PS which sees reform as essential and regrets divisions within the Cabinet. Robert Badinter, the Justice Minister, supports the reform but the recent wave of bombings, assassinations, violence etc. helped delay execution of a law which permits arbitrary checks and controls on 'suspected' individuals. To date, the debate is still in the balance, but many Socialists believe that the government is over-reacting to a social situation not of their own making and, in any case, no worse than under previous governments.[6]

At the centre of the discussion are differences between Badinter and Gaston Defferre and it is fair to say that several of the 'scandals' that have dogged the Socialists' first year of office have involved Defferre. On one occasion, he was sued by Chirac for defamation of character whilst, consistently, the police forces have objected to his cavalier management of the Interior. The Interior Minister has been criticized for reshuffling the leadership of the police and security services in order to purge opponents and assert his authority. Accused of sacking (or 'promoting') one leading officer, Defferre contested affirmations of the man's indispensability with the most memorable phrase of the year: 'The cemeteries are full of irreplaceable people.'[7]

As regards political scandals, one in particular—'the Lucet Affair'—is worthy of mention. It indicated the level of trade union rivalry and served to embarrass the government. Lucet, a trade unionist with *Force Ouvrière* (FO), was appointed by the previous administration to reform the social security system in the

[5] *Témoinage Chrétien*, 22–28 March 1982.

[6] See Paul Hainsworth, 'Anti-Semitism and Neo-Fascism on the Contemporary Right', in Philip G. Cerny (ed.), *Social Movements and Protest in France* (London: Frances Pinter, 1982).

[7] *Le Monde*, 11 March 1982

Marseille area. This process, faithfully and strongly pursued, posed Lucet against the powerful CGT and following accusations, counter-accusations and the eventual suspension of Lucet from office by the Socialist Minister of National Solidarity (Nicole Questiaux), Lucet committed suicide—although this too was contested. The end result was to involve the FO, CGT and the government in an unpleasant and possibly damaging scandal.

In other areas, too, the government has faced difficulties and lost support: youth recall the unfulfilled promise to reduce the length of military service from one year to six months; immigrants protest that the 'regularization' of their status is less routine than envisaged; small and medium businesses demand protection; ecologists regret the ambivalence on nuclear-power development; the 'free radios' lobby points to a volte-face in the Socialists' promises; television and radio users complain about the content of programmes and the reform of the audiovisual network is proving to be controversial; the aged mistrust the early retirement proposals; doctors, educationalists and other professional groups suspect the government's reformist zeal in their areas of work; etc. Faced with a barrage of criticism, intermittent pressures on the franc and lack of business confidence, the government is concentrating on making reforms more effective and coherent. In the search for coherence, Mitterrand recently rejected his Prime Minister's support for dissidence within the Cabinet and thereby asserted the doctrine of collective ministerial responsibility. This raises the problem of Communist–Socialist relations since four PCF Ministers sit in the Cabinet.

## The Socialist–Communist alliance

So far, this article has tended to emphasize the leadership of the Socialists on account of their large majority and *de facto* ability to rule without the participation of other parties. In fact, the Government includes Gaullist, Communist and Radical ministers, besides accommodating the various tendencies within the PS. Obviously, this complicates the formulation of any clear statement of political and economic objectives.

The opposition projects the government as 'the Socialist–Communist government'. The PCF claims its part in Mitterrand's victory. The participation of the PCF helps to preserve the country from the proverbial 'state of unrest', at the same time compensating the Party for poor electoral returns in 1981. The involvement of the Communists is not without problems—for instance, it means playing down obvious differences of interpretation on various issues in return for mutually beneficial union. Despite token, proud assertions of Communist identity, the PCF has played the role of a loyal partner and the alliance seems assured, at least until the 1983 municipal and regional elections. It has withstood differences on policy and the PS's flirtation with the Italian Communist Party under the guise of a loose 'Euro-Left,' possibly excluding the PCF. In February, the 24th PCF Congress stressed the constructive, responsible role of the Communists, without renouncing the claim to be a vanguard party. According to Gisèle Moreau[8] (for the Politbureau), 'We are in the front line—it would be an illusion

[8] *Révolution*, 9–15 April 1982.

to think that we could play the role of revolutionary party in the majority and opposition, simultaneously.'

The Congress also debated the controversial 1977–81 phase. For the Party's leadership, it is embarrassing to have spent these years berating Mitterrand as right-wing only to join hands with the Socialists after the PCF's poor result in the presidential election. The 24th Congress attempted to bury the 1977–81 period in the mistakes of the 1950s and limitations of the left-wing Common Programme strategy. However, critics within the party, or recently excluded, point to the illogicality of attacking the bourgeois nature of the PS and then uniting with it when expedient. For the PCF, it is a difficult time: racked by electoral losses and dissidents, it needs time to convalesce within the respectable confines of government office. Opponents fear a 'long march' back to former status, but it is debatable whether participation will ultimately profit the French Communists. Within the Socialist–Communist alliance, rivalry persists but, for reasons of solidarity, is muted. Therefore, the CGT acts as the mouthpiece of the PCF 'line', making the criticisms and demands which the PCF is unable to voice. The CGT's position is summed up by Georges Seguy. 'We do not oppose the government but neither are we giving it unconditional support.'[9] The PS attacks the CGT's attempts to attribute all positive governmental measures to the Communist Party's influence within the alliance—at the same time blaming failures on the PS.

Arguably, the most fascinating aspect of the alliance is the implication for future PS/PCF strategic relations. In the early 1970s, Mitterrand aimed to create a powerful Socialist Party to surpass the PCF and promote the liberal reform of the Communist Party. In part, this strategy has worked. Founded in 1971, the PS has forged its way to become France's leading political party, whilst the PCF adopted Eurocommunist trappings and embraced 'a socialism in French colours' against other 'models' of socialism. The 1977-81 divisions upset the unity of the Left and the prospects of a single left-wing presidential candidate in 1981, but left Mitterrand able to campaign on a platform attractive to various elements, including Communist voters. The left-wing alliance strategy for achieving power worked to Mitterrand's advantage and the PCF's detriment but, once in office, needed rethinking. This was evident after the cantonal elections when the PCF continued to poll badly and the PS/MRG vote was unable to compensate for the decline of the Communist vote. According to one interpretation,[10] the PS cannot progress as quickly as the PCF is declining. Too feeble a PCF deprives the Left of the electoral troops necessary in the absence of an unassailable PS/MRG vote. Therefore, Communist allies within the PS, e.g. the CERESians, warn colleagues eager to 'break' the PCF that today's victory is tomorrow's defeat.

The situation is a reverse of the 1960s, when the strong PCF possibly frightened away many potential left-wing voters. In 1981, the prospect of a PS unfettered by the PCF encouraged many voters to side with the Socialists, who benefited from the previous regime's unpopularity and decisive right-wing abstentions. As we

[9] Interview, *Marxism Today*, August 1981. [10] *L'Express*, 2 April 1982.

have seen, by 1982, the euphoria of victory evaporated somewhat, forcing the Socialists to discuss strategies to preserve the electoral gains of 1981. In this context, and supported by the PCF, the PS is currently re-examining one of its electoral promises—the return of a proportional representation voting system (PR). This is mooted for the regional and municipal elections and already scheduled for the local assembly elections in Corsica (July 1982). Will it be used for the National Assembly general elections? The two-ballot majority voting system (*scrutin d'arrondissement*) gave the Socialists handsome victories in 1981, but can the exceptional circumstances of a Socialist landslide be repeated in later years? Alternatively, a PR system could make the PS the key party, at the cross-roads of all future political alliances[11]—very much like the Radical Party in the Third and Fourth Republics. Of course, the Fourth Republic remains an unpopular memory, for the French and Gaullist institutions have acquired a certain legitimacy. Despite its faults, the present voting system is acceptable because it guarantees a crude political stability *provided presidential and parliamentary majorities concur.* The results of the next major electoral hurdles—the municipal and regional elections—promise to be likely indicators of the PS's direction on this issue. Simultaneously, they should prove to be crucial tests for the government and the durability of the Socialist–Communist alliance.

### Conclusion

To date, Mitterrand's regime gives the impression of a political coalition committed to change and improving the quality of life through an extensive framework of socio-economic and structural reforms. The constraints and objectives reflect those facing other national governments—how to reduce unemployment and inflation (13–14 per cent), realize growth projections (3 per cent for 1982), attract investment, redress the growing budgetary deficit, improve productivity, create business confidence, limit import and energy costs, satisfy pressure group demands, promote the elusive 'social consensus' etc. Already, some modest successes are discernible and the 1982 OECD report assesses the prospects positively. However, the timetable for change is optimistic and Socialist parliamentarians oppose the resort to government by decree, to short-circuit the legislative process. Mauroy has projected early 1983 as the deadline when change will be tangible and this coincides with the municipal/regional elections. Mitterrand has played a rather low-key role in domestic affairs, but the experiences of the first year have coaxed the President into a more interventionist posture in order to plead coherence, clarity and careful explanation of government policies. Further, the President is also conscious of the need to involve his electors more in the process of change. The regime cannot be blamed for implementing electoral proposals: too often, governments are faulted for the reverse situation. Nevertheless, the emphasis of the next phase promises to be on consolidating and enriching initiatives—more haste, less speed. After all, Rome was not built in a day.

[11] cf. *Le Point*, 27 March–4 April 1982.

# France under Mitterrand: external relations

NEVILLE WAITES

For François Mitterrand the road to power in 1981 was exceptionally long. This was not only because he was approaching his 65th birthday and had spent 23 years in opposition to three presidents and their governments. More important milestones on his road to power, so far as formative experience and ideological reference points are concerned, must include 1905 when Jaurès unified the French socialist movement, 1936 when Blum led the Popular Front to victory, 1944 when France was liberated and Mitterrand worked under de Gaulle to help French prisoners of war, 1954 when Mendès-France formed a remarkably talented government including Mitterrand at the Interior who had the testing responsibility for Algeria, and of course 1971 when Mitterrand created the new Socialist Party geared to seeking power through unity of the Left. Sharing with Jaurès the transition from radicalism to socialism and the faith in unity of the Left, it is significant that, having fulfilled the dream of electoral victory that eluded Jaurès, Mitterrand should pay homage on his first day as President by visiting the grave in the Panthéon of a mentor who died two years before Mitterrand was born. However vital these reference points are for the new President's domestic policies, they are equally important in understanding his foreign policy. The key years, 1905, 1936, 1944 and 1954, were in critical periods before and after the two world wars and the Cold War during which France attached supreme importance to a policy of security based on Western alliances. During his election campaign Mitterrand stressed his belief in maintaining a balance of power between East and West as a basis for agreement on arms control and at various times compared the dangers of the contemporary world with those of 1914.[1] It should not have surprised observers, therefore, that Mitterrand made the Atlantic Alliance the basis of his foreign policy and, while not proposing to rejoin Nato, included in his government fellow opponents of de Gaulle's exit from Nato in 1966 with a view to remedying any military weaknesses arising from that decision.[2]

[1] The election campaign focused mainly on internal, especially economic issues, but Mitterrand's brief references to foreign affairs consistently reflected the fuller discussion of his views in his book, *Ici et maintenant* (Livre de poche, Paris: Fayard, 1980), notably his emphasis on Soviet expansionism and American economic imperialism with Europe a restraining force; see pp. 246–52.

[2] The priorities were spelt out by the Minister for External Relations at a meeting of the Diplomatic Press Association in Paris, 18 June 1981; those defending Nato in 1966 included Mitterrand, Defferre and Chandernagor.

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The emphasis on co-operation with allies rather than independence does show Mitterrand to be a man of the Fourth Republic, but it stems more from an acute awareness of the French position as a middle-sized power with limited freedom of action in a world beset by economic crisis and political tension. As the Bloch-Lainé Commission reported, when asked by Mitterrand to draw up a balance sheet on the Giscardian years, France is 'the weakest of the strong and the strongest of the weak'. But its position between West Germany and Britain in the economic league table is less instructive than its role within a system dominated by the United States with four times its GNP and Japan with twice its GNP. Even tendencies towards decline in American power bring resistance evidenced by high interest rates, tough trade policy and rearmament financed by budget deficits so that subordinate economies like the French are buffeted by the backwash. Unable to compete directly with the United States or Japan, France directs over half its trade towards European neighbours and over a quarter towards the Third World, areas where it enjoys a stronger bargaining position. Thus one finds that a major French corporation like Rhône-Poulenc had its only profitable branch in 1981 in Brazil. Moreover, any analysis of national interests must take account of regional disparities in economic strength which have increased everywhere since 1970, and France has traditionally suffered more than most from regional tensions.[3]

Faced with this vulnerable position amid the fierce currents generated by the world economic crisis, it is hardly surprising that the Mitterrand administration should decide essentially to keep its head down. The Ministry for Foreign Affairs was renamed the Ministry for External Relations specifically to indicate that there could not be a foreign policy for a country such as France but rather a translation of internal policy into external terms, the integration of internal requirements and priorities into international realities. The internal priority would be employment, and this concern translated into external terms would mean improving relations with trading partners. It would mean making full use of the large European Community market, developing the huge potential markets in the Third World with arrangements such as the Lomé convention, and seeking a more co-operative attitude from the US over interest rates policy.[4] If the aim of domestic policy was to recover from economic recession while structuring the economy to match that of West Germany, and then on a European basis to achieve greater competitiveness with the US and Japan, the external relations policy would be geared to serve those aims.

### Presidential direction

Whatever their change of name and definition, external relations of France under Mitterrand would still be directed from the Elysée, thus continuing the Gaullist tradition. This was reinforced by the way in which the Socialist majority was elected to the National Assembly in June 1981 on the platform of Mitterrand's

[3] For a perceptive analysis of the problems inherent in relations between the Western powers, whether or not one agrees with the conclusions, see M. Kaldor, *The Disintegrating West* (Harmondsworth, Middlesex: Penguin Books, 1979) chapters 1 and 9.

[4] Explanation given in television interview by Claude Cheysson, 26 June 1981.

110 propositions in his presidential election rather than on the PS programme agreed in 1980.[5] Mitterrand gives priority to domestic policies and has limited experience of foreign affairs compared with his predecessors at the Elysée, but he has clear convictions and a determination to exercise authority over the French role in the world. Apart from the formative influences mentioned above, it is important to note an interest in African affairs that brought him close contact during the Fourth Republic with rising politicians such as Houphouët-Boigny of the Ivory Coast and responsibility for Algeria in 1954 as the war broke out. Then there is an interest in Latin America reflected in his avid reading of the writings of Che Guevara. Finally, there is Mitterrand's deep attachment to the French language and culture reflected in his skill as a writer; it is given particular expression by the last of his 110 propositions which called for closer relations with Quebec and the foundation there of a Francophone Academy.

Mitterrand's control over French external relations has been shown on numerous occasions. In November 1981, he held up negotiations on the natural gas contract with the Soviet Union, perhaps to allow time for his visit to Algeria at the end of that month which contributed to agreement on a corresponding gas contract in the context of much improved Franco-Algerian relations. He subsequently decided to complete the Soviet gas contract in spite of American protests and criticism in France due to alleged Soviet responsibility for the imposition of martial law in Poland. On EC affairs, he overrode the compromising approach of his Minister, Claude Cheysson, to reject the Thorn-Tindemans proposal for a budget agreement at the meeting of heads of state in Brussels on 29 March 1982.[6] The British had a more welcome demonstration of presidential authority in France when they were assured of full support by Mitterrand who telephoned Mrs Thatcher on 3 April, the day after an Argentinian invasion of the Falkland Islands. His ministers were subsequently more cautious, stressing the sacrifices involved for France in EC trade sanctions against Argentina and hoping for a rapid end to the hostilities which were causing consternation at the death and destruction resulting from military conflict.[7]

There was no objection in France to presidential policy over the Falkland Islands dispute, though critical and amused detachment characterized French public opinion on British policy. Undoubtedly the reason for Mitterrand's immediate support for Britain was to create a precedent for joint EC action in the event of a threat to French overseas territories which are more numerous, strategically important and profitable than the remaining British possessions.[8] A significant indication of the importance attached to New Caledonian nickel mines and

[5] A convenient publication providing a brief biography, a selection of political writings and the 110 propositions agreed at the Créteil Congress on 24 January 1981, is by C. Manceron and B. Pingaud, *François Mitterrand: l'homme, les idées, le programme* (Paris: Flammarion, 1981). The PS programme of 1980 is in *Projet socialiste* (Paris: *Club socialiste du livre*, 1980).

[6] *The Times*, 26 March 1982, p. 6, and 31 March, p. 1; there were clearer reports of Mitterrand's hard line in *Le Matin*, 26, 27 and 29 March, perhaps reflecting close contacts with the Elysée, than n *Le Monde* which may be closer to the Quai d'Orsay and includes Cheysson among its Associés.

[7] *International Herald Tribune*, 5 April 1982; *Financial Times*, 5 May 1982.

[8] The most perceptive analysis of French attitudes to this issue is by David Housego, *Financial Times*, 16 April 1982.

French Polynesian nuclear testing sites, for example, is that France is now the biggest investor in the Pacific Islands due to massive increases in recent years.[9] After recent neutron bomb tests at Mururoa, pressure on France is growing, notably in the form of a boycott of French goods called for June and July by Australian unions and the Pacific Trade Union Forum.[10]

**The team of advisers**

In view of Mitterrand's primary interest in domestic policy and his relative inexperience in foreign affairs, there is a risk of incoherence and even gaffes in the handling of international issues, and 19 points on world problems out of 110 propositions constitute principles rather than a policy. Nevertheless, whatever the nuances of skill and interest among his ministers, there is no doubt that they share the President's outlook and values regarding the French role in the world. The Minister for External Relations, Claude Cheysson, born in 1920 and a diplomat by training, served in Indochina in 1952 and held the key post of *chef de cabinet* to Mendès-France in 1954. From 1957 to the 1970s he held various public and private posts concerned with economic development in Africa, ranging from the Sahara to the Congo. He is most famous for launching and developing Lomé I and II trade agreements with the African, Caribbean and Pacific states as French commissioner at the EC in the 1970s,[11] and is very highly respected in Brussels. The Minister-Delegate at the Quai d'Orsay responsible for EC affairs, André Chandernagor, born in 1921, served as an administrator in Indochina at the end of the Second World War and then in the *cabinets* of Socialist leaders such as Guy Mollet from 1956 before taking a seat in the National Assembly in 1958 and becoming its Vice-President in 1967. Since then, he has acted as a foreign affairs spokesman for the Socialist Party, remaining close to Mitterrand except for expressing a preference for a centre-left strategy rather than an alliance with the Communists. The Minister-Delegate at the Quai d'Orsay responsible for Co-operation and Development, Jean-Pierre Cot, born in 1937 while his father was Air Minister in Blum's Popular Front government, became a professor in international law in Paris while acting as a PS foreign affairs spokesman and deputy for Savoy in the National Assembly, and has closer links with Rocard than with Mitterrand. The Defence Minister, Charles Hernu, has long been the PS oracle on his subject and his writings represent a modernized version of the ideas of Jaurès on national security organization.[12] Born in 1928, active in the Resistance and then a Fourth Republic deputy supporting Mendès-France, Hernu is now among Mitterrand's most trusted colleagues. This team of ministers is highly respected and loyally served by the permanent civil servants whose only worries are about the 50 per cent increase in members of ministerial *cabinets* to 360, compared with

[9] G. Fry, 'Regionalism and international politics in the South Pacific', *Pacific Affairs*, Fall 1981.

[10] *Australian*, 29 April 1982; I am grateful to Mrs J. Hackett for information on this issue.

[11] See Claude Cheysson, 'Europe and the Third World after Lomé', *The World Today*, June 1975.

[12] His updated version of the nation-in-arms system lies behind the idea of cutting conscription to six months, and is set out in *Soldat-Citoyen* (Paris: Flammarion, 1975).

the Barre government, providing posts for academics rather than civil servants. Fears of displacement were also natural following the appointment of a businessman to the Washington embassy.[13]

Mitterrand has followed his predecessors' example by appointing a team of personal advisers at the Elysée. For external relations, these include Guy Penne: Africa and Madagascar; Régis Debray: Third World; and Hubert Vedrine: liaison with the Quai d'Orsay. The new President has made far more use of his wide variety of ministers and advisers than his predecessors in order to supplement and balance his own contacts with the outside world. This has facilitated initiatives in sensitive areas and fostered support for his policy among the various groups within the Left majority in the National Assembly. Thus a PS delegation to Cuba in February prepared the ground for an official visit by the Cuban Vice-President to Paris in early May 1982. A National Assembly Foreign Affairs Commission visit to West Africa in February 1982 widened understanding of that area where Giscard suffered serious reverses and where Mitterrand will need to rally support for his handling of civil war in Chad and martial law in the Central African Republic, quite apart from Libyan support for the new government in Ghana. Another example of discreet diplomacy was the visit of Régis Debray to South-East Asia in February 1982, which prepared the way for financial and trade agreements with Vietnam, though these were noticed and strongly criticized by China.[14] The best example of Mitterrand's ability to turn to advantage the interests and connexions of his colleagues is the way he balanced the effects of his visit to Israel on 3–4 March 1982 with a parallel visit by Cheysson, known for his contacts with the PLO, to Arab capitals with messages of reassurance.

Nevertheless, this employment of a multiplicity of agents with differing approaches and interests might lead to incoherent foreign policy formulation in the absence of any French equivalent to the American National Security Council responsible for monitoring and co-ordinating national interests abroad. Changes have been made in the secret service, the SDECE, to improve co-ordination and to reduce CIA influence prevalent since 1970 in order to develop relations with non-aligned states of interest to France. Pierre Marion has replaced Pompidou's appointment, Alexandre de Marenches, as director of the SDECE, and François Grosrouvre, a close friend of Mitterrand, will now keep a close check from the Elysée on any cloak and dagger exploits. But other changes were brought to a halt by the end of November following an increase in threats against government leaders, and it remained to be seen whether Mitterrand would have any more success than Giscard in reducing secret service collusion with Mossad, the Israeli service.[15] So far Cheysson has managed to develop relations with Algeria and Saudi Arabia in spite of Mitterrand's Israeli sympathies and Cot's American contacts, but his juggling act may collapse. When Giscard d'Estaing's foreign policy became the victim of incoherent handling and transitory economic needs,

[13] Details of the ministerial *cabinets* can be found in *Le Monde*, 17–19 November 1981.

[14] *Le Monde* and *Le Matin*, 10–15 February 1982; *International Herald Tribune*, 26 April 1982.

[15] For a useful account of developments in the French secret service, see *Middle East*, August 1981, pp. 32–6, and February 1982, pp. 11–12.

Stanley Hoffmann decided to investigate 'the case of the vanishing foreign policy'; his analytical skills may be required again by Mitterrand.[16]

After one year in power, there are still some distinctive features that give Mitterrand's foreign policy an identity, however precarious. All the major powers in the world were worried about the prospect of a Mitterrand victory in the 1981 election, yet the result has satisfied them all except the Soviet Union because Mitterrand has established firmer government in France than his predecessor, and certainly firmer than any previous government of the Left in French history. Moreover, commitments to change French society have amounted merely to adoption of Keynesian techniques to revive economic growth and to manage capitalism in crisis.

### Areas of policy

Mitterrand's policy on East–West relations worried the Soviet Union because, while Giscard had always valued détente to the extent that he would never displease the Russians, Mitterrand's first election campaign proposition was that Soviet troops should leave Afghanistan. He attacked Giscard for meeting Brezhnev in Warsaw in May 1980 and vowed never to meet the Russians while their troops were in Afghanistan. During a visit to Washington on 8 December, Mitterrand called for negotiations to redefine roles within the Atlantic Alliance and he made this point 106 in his election programme. His campaign criticisms of the effects of the 1945 Yalta agreements in Europe, coupled with demands for abolition of SS20, cruise and Pershing missile installations in Europe (propositions 6–8) led to speculation that he might favour European neutralism and that his offer to renegotiate the Atlantic Alliance might be a detonator like de Gaulle's proposal for a Western directorate in 1958.[17] But, once in power, Mitterrand lived up to Moscow's worst fears by giving strong support for Nato policy to install new missiles in Europe from 1983. He dropped his 1978 idea of a referendum on the retention of the French nuclear force, announced plans for a seventh nuclear submarine and pursued neutron bomb tests while explaining that a decision on its development had been postponed.[18] Giscard's liberal search for an East–West convergence of interests had given way to Mitterrand's balance of power approach, assuming that a conflict of interests and a Soviet advantage with SS20 missiles called for a Western rearmament drive before arms control could be agreed. The contrast between Mitterrand's three friendly meetings with President Reagan and

[16] Cheysson's efforts and difficulties are discussed in an interview given to *Middle East*, February 1982, pp. 15–17; on Giscard's policy problems see S. Hoffmann, 'Paris dateline: the case of the vanishing foreign policy', *Foreign Policy*, Summer 1976, pp. 221–30.

[17] *Ici et maintenant*, *op. cit.*, pp. 241–52; Mitterrand's Press conference on 24 September 1981; discussion of his ambiguous proposals in C. Zorgbibe, 'François Mitterrand, champion de l'Occident ou dissident virtuel?', *Politique internationale*, Autumn 1981.

[18] *Le Monde*, 16 September 1981; *Financial Times*, 15 December 1981, stressed the increase in defence spending to 3·9 per cent of GNP for 1982, and keeping conscription at 12 months would help control of unemployment; apart from abjuring French participation in a forward battle, government statements on defence are virtually identical with their predecessors', even tending towards keeping the neutron bomb; see *Défense nationale*, September 1981–April 1982; Y. Bourges pointed out that even the seventh submarine was proposed to Giscard early in 1980, *Le Monde*, 15 September 1981.

his ostracism of Soviet leaders during his first year in office made him appear the most militant leader in the Western Alliance.

However, a clear line was drawn between defence policy and economic interests. Like the German SPD, Mitterrand rejected trade sanctions against the Eastern bloc; the Franco-Soviet commission met as usual in December 1981 and a contract to supply 25 per cent of French gas requirements was backed by 100 per cent credit arrangements in February 1982, involving privileges for the Soviet Union and dependence for France in the American view.

During his election campaign Mitterrand adopted a cautious attitude towards the EC, showing awareness of its problems and limited achievements but also its potential value to all its members including France. He attacked Giscard for being too generous to the British over budget agreements, and he proposed strict application of the Treaty of Rome, protection of industries threatened by the United States and Japan, and protection for agricultural sectors before allowing Spain and Portugal into the Community (propositions 11–13). To underline his appeal to southern voters, he proposed the formation of a Council of Mediterranean Peoples. He criticized Giscard's emphasis on bilateral relations with West Germany and called for a multilateral approach to all EC members. Once in power, Mitterrand adopted a more positive search for EC support for his economic priorities. At the Luxembourg summit meeting on 30 June 1981, he called for the organization of an *espace social européen*, a programme to restructure industry in order to reduce unemployment. In view of their focus on inflation, the British and West German leaders were dismayed, the latter particularly being aware that French deficit spending might threaten the European Monetary System (EMS) and financial stability so highly prized in Bonn.[19] But within a few months, Schmidt was adopting a spending programme to tackle German unemployment and the President of the EC Commission echoed Mitterrand in proposing collective action to provide jobs. By this time, the French government was attempting to reduce budget deficits and to defend the franc by accepting a pause in socio-economic reforms. Franco-German meetings were essentially as amicable as ever.[20]

Relations with Britain continued to be as distant as under Giscard, particularly as neither government could gain politically or economically from making concessions to the other. Common attitudes to defence issues or the Falkland Islands were not linked to policies on the Treaty of Rome. Unilateral or small group solutions to budgetary and agricultural problems in the Community were being given increasing attention in France, a reminder of the interest Mitterrand has shown in Jacques Delors's idea of a 'Europe of variable geometry'.[21]

The most innovative area of Mitterrand's policy has been the Third World. In the Middle East, Giscard's tendency was to favour Arab interests whereas Mitterrand is seeking a difficult balance between Israeli rights to security and Palestinian rights to an autonomous state. This has brought French policy closer to that of the

[19] *Le Monde*, 1 July 1981; see also 'Mitterrand's plan for Europe', *The Economist*, 17 October 1981.

[20] *Le Matin*, 26 March 1982; *International Herald Tribune*, 30 March 1982.

[21] *Ici et maintenant*, *op. cit.*, p. 263.

United States, but important differences have been French insistence on including Palestinians in negotiations to create their own state, and acknowledgement that greater French dependence on Arab oil involved a need to satisfy Arab demands on behalf of the Palestinians.[22] Mitterrand's planned visit to Israel was postponed from December to March 1982 in protest against Israeli annexation of the Golan heights; and the collapse of a Saudi Arabian peace plan at the Arab summit in November 1981 meant that French policy had to be kept on ice because Saudi Arabia was a vital economic and diplomatic partner.[23] Meanwhile, France has renewed its traditional links with Lebanon with agreements to train the army to recover autonomy for their country.

In Africa, Mitterrand's policy of stabilization is intended to avoid Giscardian-style military operations and to seek local solutions to disputes without super-power involvement. Hence the support for an Organization of African Unity peace-keeping force in Chad, and tolerance of a military coup in the Central African Republic while French troops have remained in their barracks. But the policy has had limited results and a threat to important French interests would probably be met with as energetic a response as ever. Meanwhile, French trade with South Africa continues to serve vital needs such as the supply of 28 per cent of French coal imports.[24] This is less significant than the improvement in Franco-Algerian relations begun under Giscard but given firm foundations by Mitterrand's visit to Algiers and the natural gas contract within a context of economic aid reminiscent of de Gaulle's Constantine Plan 20 years earlier. Mitterrand has made a clearer commitment to foreign aid than Giscard, planning to raise it from 0·57 per cent of GNP to 0·7 per cent by 1985 and to exclude payments to overseas Departments and Territories from that figure.

Relations with non-aligned countries such as Algeria and India are being cultivated, while doors are opened to others such as Cuba, Nicaragua and Vietnam. Latin American initiatives such as the Franco-Mexican Declaration of 28 August 1981, that a negotiated settlement in El Salvador should include the guerrilla forces, may have advantages in holding together various groups within the French Left without the risks that might be involved in Africa. Yet this support for non-aligned countries resisting super-power domination represents at least a will to use French power as an influence for peace.

As François Mitterrand made preparations for a summit meeting of seven leading industrialized powers at Versailles in June 1982, it was a measure of the frustration his hopes had suffered that world problems on the agenda would be virtually identical to those of the Ottawa summit held soon after his accession to power, notably unemployment, inflation and high interest rates. Yet, there remained the consolation that if his road to power had been longer than that of other statesmen, his tenure of office was likely to outlast theirs. He could afford to take a long-term view and hope to tackle more soluble problems with more sympathetic partners than he had encountered during his first year as French President.

[22] See Cheysson interview given to *Middle East*, February 1982.

[23] For a revealing analysis of Franco-Saudi relations, see *Le Matin*, 27–28 March 1982.

[24] *West Africa*, 10 May 1982, pp. 1239–40; *Bulletin mensuel d'informations financières et boursières* (Paris: Société Générale), No. 232, December 1981.

# The balance of advantage in Indochina

MICHAEL LEIFER

AT issue in the most recent phase of armed conflict in Indochina has been the balance—or more accurately, the distribution—of power among its three post-colonial states. More specifically, contention has centred on whether or not Vietnam will be confirmed as the dominant state in the peninsula whose political writ will apply in Phnom Penh as well as in Hanoi and Vientiane. It was to accomplish that end, if also to underpin its own independence, that Vietnam despatched its army into Kampuchea in December 1978 and installed, within days, a government of its own manufacture in place of the administration headed by the infamous Pol Pot. That act of military intervention, although successful, did not pass unchallenged because armed conflict between Vietnam and Kampuchea was not an exclusive bilateral affair. Although enjoying an autonomous quality, it played a catalytic role in intensifying a wider regional conflict with a global dimension. At the root of that wider conflict was Sino-Vietnamese antagonism, which was perceived in Peking and Moscow as an adjunct of Sino-Soviet relations. That bilateral and wider conflict also engaged the interests of Thailand and its regional partners within the Association of South-East Asian Nations (ASEAN) and, to a lesser extent, those of the United States.

## Strategy of attrition

Following the installation of a client government of the Vietnamese in Phnom Penh, the issue of the balance of power in Indochina was sustained in particular by the refusal of China to tolerate a *fait accompli* achieved by Vietnamese force of arms. China's military riposte against Hanoi, despite the latter's treaty of friendship with Moscow, encouraged the government of Thailand to provide sanctuary and to permit material supply across a common border to Khmer Rouge forces, who over time were restored as an instrument of military harassment against Vietnam's army of occupation in Kampuchea. Thailand, and its regional partners within ASEAN, if not in accord over a common source of external threat, accommodated their differences to oppose Vietnam's invasion of Kampuchea in part because of a common objection to its blatant violation of national sovereignty. In consequence, the states of ASEAN became a party to an informal alliance whose prime object was to revise the transfer of power in Kampuchea effected by Vietnam. If China and the Khmers Rouges whom it supplied with weapons, were engaged in applying military pressure, ASEAN's role was to serve as a diplomatic instrument utilizing regional credentials to deny legitimacy to the government in Phnom Penh headed by the Khmer Rouge defector, Heng Samrin, and to uphold the international status and representation of the ousted Democratic Kampuchean Government, despite its bestial record.

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The United States became a party to this alliance association. For example, the establishment of formal diplomatic relations with the People's Republic of China was expedited by Sino-Vietnamese antagonism, while China's act of 'punishment' against Vietnam attracted only mild reproach. The government in Washington refused to contemplate diplomatic relations with Hanoi until its forces withdrew from Kampuchea and correspondingly reaffirmed support for Thailand under the terms of the Manila Pact. One role for the United States in the collective enterprise was to use its global influence to deny economic assistance to a Vietnam which had not recovered from thirty years of almost continuous war and whose agricultural sector had been afflicted by a series of natural calamities.

The collective responses to Vietnam's invasion and occupation constituted a strategy of attrition designed to place breaking strain on the government and society of Vietnam. The initial expectation was that, because Vietnam was economically weak, had obligations in Laos and had overreached itself in Kampuchea, it would be vulnerable to the range of pressures encompassed by such a strategy. In the fullness of time, Vietnam would be obliged to disgorge its territorial prize and restore Kampuchea to independence. Motives were mixed in this enterprise. For China, Vietnam would be cut down to size and repent of its role as 'an oriental Cuba' serving the global interests of the Soviet Union. For Thailand, an interposing buffer would be reinstated between itself and a traditional enemy. For ASEAN as a corporate entity, the cardinal rule of the international system of states would be upheld. For the United States, if less acutely than for China, a regional proxy of the Soviet Union would have been contained. Such a strategy governed by a diversity of interests was essentially one of denial. Participation in its execution did not indicate agreement on what kind of regime should be restored in Kampuchea.

The object of this preliminary discussion has been to provide a basis for confronting the question: how has the strategy of attrition fared after four dry seasons of fighting in Kampuchea? The simple answer is—not very well. Indeed, it may be argued that the strategy has ceased to display practical utility and that its very *raison d'être* can be called into question. Initially, China did punish Vietnam in February and March 1979, although it would be more accurate to suggest that China and Vietnam taught each other a lesson. As this author has suggested previously, 'The outstanding question concerning China's military intervention is not whether Vietnam has been chastised—that much is evident—but whether it has been chastened by the experience . . .'[1] Three years later, there has not been any indication of a chastened attitude on the part of the government of Vietnam or of a disposition to review its policy towards Kampuchea. Moreover, the evident tension in the relationship between Vietnam and the Soviet Union has not interfered with a practical association which has served the former state well in its Indochinese design. Material benefaction rising to US$ six million a day has enabled Vietnam to cope with, if not overcome, its economic problems without bending the knee to China and to sustain an expeditionary force in Kampuchea which has demonstrated perceptible military success in the

[1] 'Post mortem on the Third Indochina War', *The World Today*, June 1979.

first half of 1982. Even before then, despite problems of morale arising from deployment in an alien terrain (especially among conscripts from southern Vietnam) and the ravages of malaria, the Vietnamese expeditionary force had never lost control of agricultural zones and centres of population.

### Vietnam's response

Well before the marked improvement in its military position during the course of the 1981/2 dry season (approximately from November to May), the government of Vietnam supported by client counterparts in Indochina had not been willing publicly to acknowledge that the legitimacy of rule in Kampuchea was an issue. Indeed, time and again the situation in that country has been said to be 'irreversible'. At regular conferences of Foreign Ministers of the three Indochinese states, the only unresolved issue identified has been that of the stability of the border between Kampuchea and Thailand, while the nefarious intent of China has been denounced.[2] With consistency, Vietnam has sought to revise the terms of international debate over Kampuchea to an alternative version to that expounded by the protagonists of the strategy of attrition. An offer of a partial withdrawal of forces only has been made in return for a border settlement which would involve a denial of facilities and support by Thailand to the Khmers Rouges, and at least tacit recognition of the government in Phnom Penh. Beyond that the Foreign Ministers of the Indochinese states have maintained that:

> 'The presence of Vietnamese troops in Kampuchea results from an agreement between the governments of the PRK and of the SRV so as to deal with the threat from China's hegemonistic expansionism. Once this threat is removed, the SRV and the PRK will agree on the withdrawal of Vietnamese troops from Kampuchea.'[3]

The position over Kampuchea sustained by the government in Hanoi and its counterparts in Phnom Penh and Vientiane has not been accepted in most chancelleries or in the debating chambers of the United Nations, but it has been persisted with. Moreover, because the government of the People's Republic of Kampuchea is not recognized by or seated in the United Nations, Vietnam and its Indochinese clients have refused to acknowledge the standing of the world body in the conflict and boycotted together with the Soviet Union and its close associates an international conference on Kampuchea held under its auspices in July 1981.[4] The final declaration of that conference which called for a withdrawal of all foreign forces and the holding of free elections under United Nations supervision has been repudiated. An alternative regional conference, excluding Chinese and United States participation, has been advocated to discuss questions of peace and stability in South-East Asia and is intended to confirm the status

[2] See, for example, the communiqué of the most recent Fifth Foreign Ministers' Conference of Laos, Kampuchea and Vietnam (Vientiane, 16–17 February 1982) in BBC *Summary of World Broadcasts*, FE/6958/A3/1–4.

[3] *ibid.*

[4] See Leszek Buszynski, 'Thailand, Moscow and the Kampuchean imbroglio', *The World Today*, February 1982, p. 72.

quo in Kampuchea and to secure in one form or another recognition of the Heng Samrin government in Phnom Penh. Hanoi's commitment to that government was indicated by its party delegation led by Heng Samrin being welcomed in third place behind those of the Soviet Union and Laos among the 47 delegations attending the Fifth National Congress of the Vietnamese Communist Party in March 1982.

The persistence and characteristic tenacity of Vietnam over Kampuchea has begun to be matched by its position of advantage relative to that of its military and diplomatic adversaries who have failed so far to persuade the government in Hanoi to contemplate negotiating on other than its own terms. Although Vietnam has been obliged to divide the deployment of its seasoned troops in order to cope with the Khmers Rouges and the prospect of another act of punishment by China, the latter eventuality would appear to have become less likely, although it cannot be ruled out altogether. Soviet retaliation must enter into the calculations of China's government while its military weakness has to be weighed against a reinforced defence perimeter in northern Vietnam. Moreover, the original act of punishment in February 1979 reflected the political dominance of Deng Xiaoping which has become less certain as his years advance and his priorities begin to be questioned. One object of China's military intervention was to relieve the pressure being applied by the Vietnamese on the Khmers Rouges. If that action had some desired effect in 1979, by the dry season of 1981/2 the Vietnamese army began to make an impact on the military structure of the Khmers Rouges which had extended around the northern perimeter of Kampuchea in a rough semi-circle. Vietnam's military initiative has been influenced by an improved supply and logistics position, by a recognition of the growing military strength of the Khmers Rouges and almost certainly by calculation of China's limited propensity to respond in kind.

In mid-December 1981, the Khmers Rouges sustained heavy casualties and loss of equipment in a battle near the junction of the Thai-Lao-Kampuchean borders, which has been described as 'one of the most important events since the Vietnamese army invaded Kampuchea in January 1979'.[5] A month later, the Vietnamese launched a vigorous offensive in the west of Kampuchea, close to the Thai border, in the vicinity of long-standing Khmer Rouge redoubts. In the course of this undertaking, in which fresh divisions, tanks, artillery and air power have been deployed, two consequences have been observed. First, the operational zone of the Khmers Rouges within Kampuchea has been reduced. Secondly, the Khmers Rouges have taken heavy casualties as well as losing supply dumps. At the outset of the 1981/2 dry season, it was estimated that the fighting strength of the Khmers Rouges was around 30,000.[6] Since the Vietnamese offensive began in earnest in January this year, that figure has required downward revision. Indeed, one authoritative source has suggested a reduction in effectives by up to a third.[7]

[5] *The Nation Review* (Bangkok), 3 January 1982.

[6] For example, in *The Bangkok Post*, 28 August 1981.

[7] See the revised estimate of Khmer Rouge strength by John McBeth, *Far Eastern Economic Review*, 5–11 March 1982.

The significance of Khmer Rouge casualties is that, except at the margin, they are most unlikely to be replaced by fresh recruits, which is certainly not the case for Vietnam whose own casualties have also been heavy. Indeed, the fundamental weakness of the Khmers Rouges, which arises from their inhuman record, has been a conspicuous inability to mobilize the people of Kampuchea in the cause of national liberation. Given the estimated order of their casualties relative to their presumed effective strength last year, there would appear to be a reasonable prospect of them becoming a declining military asset. If the Vietnamese offensive is sustained beyond the 1981/2 dry season, the Khmers Rouges could well be reduced from being a serious instrument of military harassment to that of mere nuisance. More to the point, they could cease to be a practical means with which to challenge Vietnam's occupation of Kampuchea as part of a wider strategy of attrition. Ironically, it is an effective counter-strategy of attrition which has been applied by Vietnam against the Khmers Rouges. In addition, military successes have been registered against the smaller non-Communist resistance forces of the Khmer People's National Liberation Front led by the former Prime Minister, Son Sann.

### ASEAN's predicament

The prospect of a progressive decline in the military utility of the Khmers Rouges has become a source of concern, in particular for the Thai government which committed itself to protracted indirect confrontation with Vietnam because there appeared to be a credible alternative to the regime installed in Phnom Penh. With its own armed forces still afflicted by disunity since the abortive coup in April 1981[8] and domestic concern at undue association with China and its possible consequences, the government of General Prem Tinsulanond which has sustained the policy initiated by his predecessor, General Kriangsak Chamanand, must be wondering whether or not it has become a party to a strategic blunder. The restoration of Kampuchea as a buffer state remains as elusive a prospect as ever. It may be argued also that such a strategic blunder has been compounded by the experience of the collective endeavours of ASEAN to promote a 'loose' tripartite coalition from disparate Khmer resistance groups.

ASEAN's enterprise was well meant. It constituted an attempt to dilute the murderous identity of the Khmers Rouges who could be sustained in their United Nations seat as a matter of principle, but who could not be endorsed as the rightful government in Phnom Penh in any practical sense. Apart from not wanting to be tainted by the record of Pol Pot and his bloody minions, the ASEAN states did not wish the strategy of attrition to be applied to the point where Vietnam either succumbed to the dominance of China or became totally dependent on the Soviet Union. Their long-standing objective has been a negotiated settlement with Vietnam, if conditional on its withdrawal of forces from Kampuchea. To serve this end, they have sought to demonstrate an appreciation of Vietnam's security interests in Kampuchea by making explicit their dissocia-

[8] See Roger Kershaw, 'Thailand: Royal power revealed', *The World Today*, May 1981.

tion from any design to restore the Khmers Rouges to power in Phnom Penh.

ASEAN's exercise in coalition building would appear to be liable to the same fate as all previous third-force solutions to conflict in Indochina. The object was to forge a coalition which the Khmers Rouges could not dominate, hence the 'loose' appellation. With such a coalition in hand—incorporating the Khmers Rouges and the mutually suspicious followers of the former head of state, Prince Norodom Sihanouk, and the former Prime Minister, Son Sann—ASEAN would not have to struggle to sustain Democratic Kampuchea in its United Nations seat. In addition, its member states would be able to use the acceptable face of the coalition to attract popular support from within Kampuchea. In as far as the non-Communist components of the loose coalition would be able also to demonstrate military prowess and assume the status of a bargaining asset, the Vietnamese would recognize the merits of a political settlement which would rule out the prospect of a return to power in Phnom Penh of a perceived client of China. Such theorizing took little account of the unwillingness of Vietnam's Politburo to tolerate or trust any political settlement except one imposed and regulated by themselves. Moreover, they had invested blood and treasure in the establishment of a client administration which has begun to assume a measure of viability. It also neglected the sense of self-interest of the Khmers Rouges backed by China. Ousted from power by their historical enemy, Vietnam, they were not disposed to allow themselves to be undermined as the only credible alternative to the administration in Phnom Penh by their Kampuchean class enemies. Consequently, after an agreement in principle in Singapore in September 1981, protracted negotiations between the disparate resistance groups have failed so far to produce accord on the terms of a coalition. Furthermore, China's unwillingness to apply pressure on the Khmers Rouges to this end has introduced increasing strains into its relations with ASEAN.

One response to the failure in coalition building was a warning in February 1982 from Malaysia's Prime Minister, Dr Mahathir Mohamad, that 'The intransigent attitude of certain parties is to be very much regretted. It may no longer be worthwhile for us to support their position in the United Nations.'[9] This discordant allusion to the Khmers Rouges taken without consultation with regional partners could be interpreted as self-defeating, given the link between ASEAN's position on Kampuchea and sustained international representation for its ousted government. More to the point, it constituted an expression of concern that if the 'loose' coalition which ASEAN's Foreign Ministers endorsed formally in mid-1981 did not materialize, support for Khmer Rouge retention of the Kampuchean seat in the United Nations could begin to drain away.[10] One implication of Dr Mahathir's admonition was that it might be politic for ASEAN to consider dissociating itself from the international representation of Democratic Kampuchea rather than face the diplomatic embarrassment of

[9] *New Straits Times* (Kuala Lumpur), 3 February 1982.

[10] The converse of that position was indicated by Australia's Deputy Prime Minister, Douglas Anthony: his government would reconsider its withdrawal of recognition from Democratic Kampuchea if the three Khmer resistance groups could form a coalition. *The Straits Times* (Singapore), 24 March 1982.

seeking to defend a losing position. In the event, his admonition did not have the desired effect. The Khmer Rouge Prime Minister, Khieu Samphan, and Prince Sihanouk reached a tentative accord later in February, albeit in Peking and in the conspicuous absence of Son Sann, the favoured protégé of the ASEAN states and the most credible leader in the prospective coalition.[11] The declining military performance of the Khmers Rouges as well as the evident failure of their unlikely prospective non-Communist coalition partners to display military prowess has further undermined the cause of the Kampuchean resistance groups and has frustrated that of the ASEAN states. Indeed, ASEAN faces a formidable problem. It has persisted in a refusal to be reconciled to the enforced transfer of power within Kampuchea—but without access to either politically appropriate or efficacious means with which to revise it. In such circumstances, diplomacy has obvious limitations. Moreover, as long as the Soviet Union, with its East European allies, is willing to act as quartermaster to Vietnam, and China does not display any disposition to engage in a second act of punishment while the Khmers Rouges cannot reverse the consequences of military attrition, the Vietnamese credo that 'the situation in Kampuchea is irreversible' would appear to be increasingly valid. The decline in the military fortunes of all Khmer resistance groups must serve as an incentive for them to engage in coalition-building. But any coalition cobbled together in such circumstances is bound to be fragile.

The most recent phase of conflict in Indochina has been sustained because the issue of principle raised by Vietnam's invasion of Kampuchea has been joined to that of the balance of power in the peninsula. That conflict has been fuelled because internal adversaries and their external patrons have perceived a positive relationship between the application of military means and the attainment of political ends. Recurrent warfare over four dry seasons would seem to bear out such an observation. However, should the symmetry disappear from that set of perceptions because of the military decline of one of the internal adversaries, then it would follow logically that only a decisive act of external intervention could restore the military balance and sustain the conflict in its previous form. The events of the dry season of 1981/2 would seem to suggest that the balance of military advantage within Kampuchea has shifted, perhaps decisively, in Vietnam's favour. Such a shift does not amount to a final military solution, but it serves to strengthen Vietnam's claim for international recognition on behalf of its client government in Phnom Penh and its position in any negotiations with ASEAN.

[11] Son Sann repudiated that accord in a press statement issued in Paris on 23 March 1982

# Who will govern Cambodia?

DENNIS DUNCANSON

'ARE the Indians *fit* for *swa-raj*?' 'Is the Gold Coast *ready* for self-government?' From sixty to twenty-five years ago, questions like that were the everyday basis of debate about colonial emancipation; even Americans asked themselves in 1935 whether the Filipinos were really going to know how to run their country alone by the scheduled date for independence, 4 July 1946. 'It makes no difference who manages our railways,' came the confident answer of the Iraqis in 1932, 'the drivers and signalmen are Arabs anyway.' 'Indians demand,' thundered Gandhi at the same date less reassuringly, 'the right to go to hell by our own road.' Today, while various Cold-War cabals intrigue in the corridors of the UN General Assembly for votes to recognize this or that Communist faction as legitimate representative of 'Kampuchea', few people seem to give thought to the question where Cambodian civil servants and experts would come from if the Vietnamese, and their eager Soviet patron, acceded to the demand of the Association of South-East Asian Nations (ASEAN) to withdraw the quarter-million-strong expeditionary force behind the Vietnamese frontier. The Vietnamese have a case, even if they do not put it in that unfashionable way and the circumstances which justify it are of their ruthless making.

## Cambodian government before colonization

Cambodian administrative traditions lack the historical depth of those of Vietnam, which are typical of the bureaucratic Chinese world. In the nineteenth century, the sketchiness of 'Kambuja's' legal, judicial and administrative institutions aroused the contempt of both Vietnamese and Siamese neighbours and was used from those quarters as a pretext for the imposition of short-lived protectorates, alternately Viet and Thai, which purported to bring the rule of law to Cambodia.[1] The contempt was not unfounded: early French inquiries revealed a monarchy of unstructured and ever-changing provinces, ruled—at times with appalling cruelty[2]—by untutored and unspecialized mandarins, who were remunerated by land grants and gifts payable to them for arbitrating—no doubt according to well-established customary law—disputes between the king's subjects over tillage or fishing in the Tonlé Sap. It is doubtful whether the government was, strictly speaking, literate; but, thanks to the peasants' docility, it mobilized compulsory labour both to till the lands assigned to the mandarins and the court and to execute not negligible public works—local irrigation

[1] M. Osborne and D. K. Wyatt, 'The Abridged Cambodian Chronicle—a Thai version', *France-Asie* (Paris), No 193, 1968.

[2] There were 21 horrible torments by which alleged plotters against the king could be put to death, lesser tortures for lesser offences—A. Leclère, *Codes cambodgiens* (Paris: Leroux, 1898), *passim*.

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systems and passable cart tracks, although the mighty works of Angkor had lain neglected for centuries. The mandarins' chief function was to channel wealth to the court. The Theravada Buddhist church, comprising numerous mutually independent village pagodas, was as decentralized as the state and similarly recognized the king as its head; it, too, was non-literate but upheld a respectable moral code in rural life thanks to a universal novitiate, obligatory for adolescent males like the corvée just mentioned.[3]

The French colonial authorities took nearly thirty years to decide how to administer Cambodia. From 1900 onwards, there were two administrations: the monarchy was preserved and left with responsibility for management of village affairs, including administration of traditional land and fishing rights; but legislation, policing, external relations, higher education (unknown in the past), public health and the public works necessary for modern development were entrusted to an all-Indochina civil service directly under the French Governor-General at Hanoi in North Vietnam. The demarcation within the diarchy was not strictly observed, for the French *résidents* superintended the native mandarinate at the same time as they co-ordinated the all-Indochina departments, and, inevitably, they tried to reform the former: they insisted on abolition of slavery—a feature of pre-colonial social life throughout South-East Asia—and on the replacement of extortionate customary gifts and levies by regular stipends for the mandarins and a civil list for the court; they codified customary law and reformed it in line with European principles. One aspect of the diarchy which proved more important than its planners envisaged was that the lower ranks of the all-Indochina sector were manned neither by Frenchmen nor by Cambodians but by Vietnamese, whose social background gave them greater aptitude than did that of the Khmers. In the private sector as well, the French government encouraged immigration of Vietnamese as entrepreneurs barely distinguishable from the overseas Chinese who generally dominated the middle ranks of commerce, transport and light industry. In more and more economic developments, the Khmero-Vietnamese frontier was disregarded, and—the Cambodians finding no reciprocal channel through which to penetrate Vietnam—the Vietnamese came to enjoy an élite, order-giving, status among the Cambodians; in particular, they manned the urban police force. In this way, the French protectorate appeared to take on some of the attributes of the earlier Vietnamese protectorate, not least in its power to determine, in the absence of definite rules, which prince was to succeed to the throne of Cambodia; henceforward, when the king's ministers met in council they were presided over by the French Senior Resident.

### The Royal government of Prince Sihanouk

In the years of colonial emancipation, from 1945 to 1955, the French dragged their feet a little over devolution of office and power to the Cambodians, not only because they were reluctant to lose the laurels of the white man's burden, but also because their consciences doubted whether the country could survive

[3] A. Forest, *Le Cambodge et la colonisation française . . . 1897-1920* (Paris: L'Harmattan, 1980), pp. 17–58.

administratively, whatever the international guarantees of independence. For forty years, Phnom Penh had a school of administration, but it trained *cadres* only for the district administration; in 1945 there were no Khmers with training or experience qualifying them for the spheres of public administration assigned to the all-Indochina services.[4] The relative importance of the two tiers of government the decolonizers had to amalgamate can be judged from the budget for 1951: of the lower-tier expenditure of 840 million piastres, only about a quarter was met from lower-tier revenues (including harvest and poll taxes), the rest from grants and all-Indochina allocations (200 million customs duties, 45 million opium consumption etc.).[5] To run an administration that could yield so much revenue, young Khmers had to be found, since the barest handful of older men had ever received professional training, and they, like other French colonials, had tended to stay on in France. Between 1951 and 1965, it seems, 270 professionals were trained to first-degree standard in new institutes at home and 157 abroad (half of them having Chinese or Vietnamese names), and by the end of the period there were still only reported to be 111 civil servants at work in what in Britain would be classed as administrative grades (including diplomacy), besides 52 general practitioners and 8 consultants to man the whole medical service, and 56 more general practitioners side-tracked to the army.[6] French, American and UN technicians brought in to train Cambodian counterparts for management and operation of new enterprises—and, presumably, the Russians, East Germans and Chinese as well—complained that they had to stay on to run things themselves for want of apt pupils. Visibly, Chinese and Vietnamese residents continued to outnumber the Cambodians in the capital city by about three to two. Other Khmer talents besides doctors were probably also absorbed into the 35,000-man army, which—both a symbol of national independence and the principal defence against the subversion and 'People's War' which have threatened Cambodia continuously since 1953—never spent less than a quarter of the public revenues.[7]

The notorious failure of Sihanouk's army to train its men for any operation at more than company strength, and instead to deploy them on rural-development schemes, was typical of the general inefficiency prevalent under native ministerial control as soon as the all-Indochina colonial services handed over; it persisted throughout the rule of Prince Sihanouk, who, the better to enforce a personal dictatorship, abdicated from the throne and, in addition to changes of individual ministers, effected no fewer than 38 changes of cabinet in twenty years—as carefree and mercurial as the IVe République. Efficiency cannot have been advanced by the difficulties of converting departments to use of the Khmer

[4] One Cambodian eminent under Sihanouk, Danh Suon, was a civil servant in Vietnam from 1922 to 1943, but he was born there—obituary in *Cambodge* (Phnom Penh), Vol. 3, No 21, 1972.

[5] J. Imbert, *Histoire des institutions khmères* (Phnom Penh: Faculté de Droit, 1961), pp. 162–6.

[6] Chau Seng, *Les élites khmères* (Phnom Penh: Université bouddhique Preah Sihanouk Raj, 1966), pp. 130–94.

[7] In the vital years 1958-64, about 26 per cent, of which a quarter again was subsidized by the US—M. Laurent, *L'armée au Cambodge* (Paris: PUF, 1968), p. 197.

language instead of French: pre-colonial transactions had naturally been conducted in Khmer, and royal enactments were drafted in it; but French gradually reached down into the district administration in protectorate times, and the only language of the upper-tier services was necessarily French—necessarily for the Vietnamese staff as much as for the French. Answers to this author's inquiries in the early 1960s indicated that French was still in use at that time in several ministries, if not all; the great language revolution wrought in Vietnamese from the 1880s onwards under the influence of Japanese and Chinese, which enabled an easy transition out of French in Hanoi and Saigon, had no parallel in Khmer, so that it was not until after 1965 that a vernacular literature began to appear in print.[8]

Lack of educated cadres afflicted the Communists as well as the civil service. The Indochina Communist Party made not a single Khmer recruit in its Comintern phase and used to assign Vietnamese comrades to 'represent' Cambodia whenever reference to a separate 'nation' was tactful; a few guerrillas were enlisted in the early 1950s, although the intellectuals who spoke for Cambodia abroad continued to have Vietnamese or Chinese names. After the Geneva Agreement of 1954, the guerrillas, swollen to perhaps 3,000 peasants, were withdrawn to North Vietnam for indoctrination and 'People's War' training (in Vietnamese?) but in 1962 began to be brought back down the Ho Chi Minh Trail by the North Vietnamese army when it occupied, with Prince Sihanouk's permission, the frontier zone Hanoi required as a base of operations against the South Vietnamese government; few if any of these individuals had the education necessary for technical services—still less public administration—and their cadres seem to have been Vietnamese.

Meanwhile, a score or so of Cambodians were taking advantage of their colonial-emancipation scholarships to Paris, and of free trips to East Berlin arranged by some 'friend', in order to form a Marxist group with a programme of Trotskyite 'entryism'.[9] On their return home, they and their plot flourished, for Sihanouk, short of talents, quickly elevated two or three (notably Khieu Samphan, one of several holders of doctorates) to ministerial status, apparently in the hope of contenting and disarming the plotters. But then, at about the time he first gave the Vietnamese Communists (Vietcong) access to the eastern borderlands, he turned on these 'Khmers Rouges' in Phnom Penh in the way Chiang Kai-shek turned on his 'entryists' in 1927, liquidating a number of the lesser comrades. Despite contrary rumours at the time, the leaders all seem to have got away safely from their ministries and, following Mao Tse-tung's example, joined a band of former pro-Thai dissidents active in a district of western Cambodia which had been resettled by Khmer Krom peasants (that is, from South Vietnam), who lacked sentimental attachment to Sihanouk's Royal government.[10] Although a premature uprising, at Samlaut, was defeated by Sihanouk's forces, the

[8] M. Piat, 'Littérature cambodgienne', in P.-B. Lafont and D. Lombard, *Littératures contemporaines de l'Asie du Sud-est* (Paris: Asiathèque, 1974).
[9] F. Debré, *Cambodge—la révolution de la forêt* (Paris: Flammarion, 1976), pp. 77–95.
[10] J. Delvert, *Le paysan cambodgien* (Paris: L'Harmattan, 1961), pp. 634–50.

Khmers Rouges fast spread a network of agitators through other provinces[11]—with or without Vietnamese help. Khieu Samphan and his comrades had not made much of a showing in the public administration the French government had paid to train them for, but they now put to better effect the destructive terrorism taught them in East Germany: in the words of a close foreign observer—surely an understatement—'they paralysed villages instead of administering them'.[12]

### Khmer-Rouge socialism

The 1970-5 phase of the Communist struggle, between the deposition of Sihanouk from his headship-of-state by his own legislature and the final Communist victory at Phnom Penh, Vientiane and Saigon, showed the discrepancy of Khmer Rouge talents in stark light. The notice to quit the sanctuaries served on the Vietcong by the Lon Nol 'Republican' authorities was countered by the former's successful rush to occupy northern and western provinces of Cambodia and their attempt, thwarted by American and South Vietnamese counteraction, to seize Phnom Penh itself; from now on, all Communist groups and forces in the country combined under Hanoi's command and Peking's proletarian-international finance and management. The putschists made no pretence of governing: all effort was devoted to warfare, and even in that field Hanoi has since claimed that for the first two years Vietcong soldiers did the fighting and that their cadres continued right through till 1975, and 'up to the very gates of Phnom Penh', to handle the sophisticated weapons and the signals.[13] On the other hand, the Khmers Rouges—with assistance here, too, from Vietnamese troops—began to terrorize villages they occupied, singling out the Buddhist clergy, who symbolized communal life, with extreme brutality.

There were moments during 1974 when the Communist forces seemed poised to overwhelm Phnom Penh and its Republican government—from whose support the United States was gradually disengaging—yet held back; it is likely that the difficulty of setting up an alternative government in the capital prevailed, since there were too few Khmer Communists capable of administrative or technical tasks,[14] so that—at a time when victory was not yet imminent and there were still many foreign pressmen in Indochina—Hanoi would have had either to keep on the defeated civil service, which could not be trusted to run a totalitarian system, or else to second Vietnamese, supposedly all withdrawn from Cambodia under the 1973 peace agreement in exchange for US withdrawal from Vietnam. When Phnom Penh was taken in the end, the Khmers Rouges—in all practical respects creatures of the Vietcong but incapable of organizing a government themselves—made the chilling decision to do without government altogether, forcing the total evacuation of all the towns, crowded with refugees from Communist depredations against the villages. Khieu Samphan himself admitted

[11] B. Kiernan, *The Samlaut Rebellion* (Melbourne: Monash University, 1975).

[12] C. Meyer (adviser to Sihanouk), *Derrière le sourire khmer* (Paris: Plon, 1971), p. 200.

[13] *Le Monde* (Paris), 30 March 1978; Sihanouk, *L'Indochine vue de Pékin* (1972), p. 152; etc.

[14] T. M. Carney, *Communist Party Power in Kampuchea*, Cornell University Data Paper 106 (Ithaca, 1976), p. 8.

they perpetrated 'mistaken' massacres,[15] but gave no number for the dea
Dispensing with the concentration camps into which the Vietcong thrust th
defeated enemies, the Khmers Rouges butchered, by any means their bloc
thirsty adolescents had to hand, all the identifiable Republican officers a
officials, hounding the remainder, with the rest of the populace, on 'long march
from district to district to beg or grub sustenance among the frightened peasan

Every ministry and every institution was emptied and knocked about
schools, hospitals, police stations, courts, power stations, public transpo
markets; law and money were abolished, and gradually the whole people we
mobilized into 'communes' in which they lived and fed together like slaves, n
even owning their plates or spoons, and condemned to ceaselessly digging u
wanted irrigation canals until they were exhausted and half starved. The arr
comprised an untrained mob of irregulars;[16] the Communist Party itself, distin
from the Cambodian 'People's Party' set up by the Vietnamese CP, was pure
notional and alluded to menacingly as 'the Organization'. Thus had a handful
doctors of laws or letters, who owed their position to enlightened developme
aid, destroyed every vestige of law and civilization in the name of nationalis
The vandalism and savagery of Mao Tse-tung's absurd 'Proletarian Cultu
Revolution' was carried to grotesque extremes, for which, sadly, one has
admit that shameful precedents did exist in the political culture of old Kambu
it was not unfitting that Sihanouk, scion of the Kambujan royal line, nomina
presided over the devastation for four years, an all but solitary resident
Phnom Penh. The only 'experts' available to redeem the wreckage of the 'Re
were a few Gang-of-Four Maoist technicians drafted in to maintain the airpo
supply minimum internal communications for the CP, and, some say, pla
cotton.

## The Vietcong protectorate

However, extermination of the government cadre under the Khmer-Rou
government was not quite total, whatever the intention. Since their conquest
the country in 1979, the Vietcong have been reticent about most branches
public administration, but they do say something about medical services, whi
may be typical of the rest: 50 out of 4,000 'physicians', it is said, lived through
all—a high figure if it referred to trained doctors, for under Sihanouk th
numbered 106, but almost certainly it includes ancillary staff.[17] An unoffic
French medical team has been 'training' new doctors, and, one way or anoth
50 were supposed to be at work again after two years;[18] but how much th
knew was not stated. The Hanoi claim to have fifteen times as many hospi
beds in use as under Sihanouk is not credible. The likelihood is that the bulk

[15] To a Japanese correspondent in 1979—Summary of World Broadcasts (SWB), FE/62
Hanoi (like Peking, silent while it was going on) raised the figure, as frontier tension mount
from one million to three out of a population of seven; yet *Vietnam Courier* for Noveml
1981 (pleading for international relief) estimates survivors at six-and-a-half million.

[16] Khieu Samphan—Radio Phnom Penh, 10 May 1978 (SWB/FE/5785).

[17] Radio Phnom Penh—SWB/FE/6272 (1979) and 6736 (1981).

[18] Report in *Afrique-Asie* (Paris), No 253, 1981.

the medical service is furnished by the Vietnamese army of occupation, as are most or all other functions of government; one 1979 report asserted that only just over a hundred Cambodians with any secondary education were still alive and in the country.[19]

An inquiry into the present administration of Cambodia has been carried out among refugees on the Thai side of the frontier by Stephen Heder.[20] He discovered that there are a few survivors from the cadres of both Sihanouk's and the Republic's day—these last largely fugitives from Khmer Rouge brutality who fled in 1975 into Vietnam and came back with the invading forces—as well as exiles returned from France. But the country is closely patrolled and garrisoned by the Vietnamese army, with Vietnamese civilian experts resident in the restored district offices; technical management is in Vietnamese hands, with a large number of Soviet and other Comecon advisers.[21] Although elections for village committees and the 'National Assembly' have been much publicized for the benefit of impressionable overseas audiences, they do not contribute to sophisticated public administration, and Heder concluded two years ago that 'the regime is held together by the massive presence of Vietnamese experts and troops and the economy kept from collapse by massive injections of international relief and rehabilitation aid.' No conflicting evidence has come to light.

In February 1978, in face of Khmer Rouge bellicosity, Hanoi found it expedient to renounce earlier plans to reconstitute France's Indochinese Union as a formal federation, but history has proved that Vietnam does not stay unified unless its rulers can continue to deny use of Laos and Cambodia to Vietnamese dissidents. The series of treaties by which the three Communist states of Indochina are now linked with one another and with the USSR and Comecon leave no doubt but that the federation is a fact, if only at the Party level (equivalent to the old colonial level)—three states, each with a seat in the UN and separate claims on international aid, but only one Communist Politburo.[22] Cambodia today is far from having a fiscal and budgetary system of its own, and Heder's findings show Vietnamese to be the administrative language. The difference from French times is that the new protecting power's metropolitan territory is near by. Communists do not share the colonialists' conscience about the fate of minorities they rule; instead they are fired by the ideal of socialist transformation of the 'New Man', with which nationhood is, in Lenin's words, irreconcilable. If the Vietnamese stay on, Cambodian national identity is doomed; but if the rest of the world really does get them out, one must question whether, after all the horrors perpetrated since the French departed, there is any 'cadre' of Cambodians left who could run the country.

[19] *Far Eastern Economic Review* (Hong Kong), 13 April 1979

[20] K. Theeravit and M. Brown, *Indochina and Problems of Security and Stability in South-east Asia* (Bangkok: Chulalongkorn University, 1981), pp. 16–62.

[21] Implied in speeches at Phnom Penh meeting of the 'National Assembly'—Radio Phnom Penh, 6 February 1982 (SWB/FE/6950) and 18 February 1982 (6967).

[22] See Dennis Duncanson, ' "Limited sovereignty" in Indochina', *The World Today*, July 1978, and 'China's Vietnam war: new and old strategic imperatives', *ibid.*, June 1979.

PRINTED IN ENGLAND BY POPPER & COMPANY LTD, WELWYN GARDEN CITY, HERTFORDSHIRE

# THE WORLD TODAY

JULY—AUGUST

THE WORLD TODAY, *founded in 1945, is issued under the auspices of the Royal Institute of International Affairs and published monthly by the Oxford University Press*

**Annual subscription** *Vol. 38 (1982)*
(post free)
*UK £12*
*US $34*
*Elsewhere £15*

**Single copies**
(post free)
*UK £1.20*
*US $3.40*
*Elsewhere £1.50*

*Orders may be sent to booksellers and newsagents or to the Oxford University Press, Journals Department, Walton Street, Oxford OX2 6DP, UK. Tel. 0865 56767*

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CHATHAM HOUSE


ISSN 0043-9134

ROYAL INSTITUTE OF INTERNATIONAL AFFAIRS

# THE WORLD TODAY

EDITOR: LILIANA BRISBY
EDITORIAL SECRETARY: JEAN PELL

**July–August 1982** **Vol. 38 Nos. 7–8**

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Manuscripts and correspondence should be addressed to the Editor, *The World Today*, Royal Institute of International Affairs, Chatham House, 10 St James's Square, London SW1Y 4LE.

# AUSTRALIAN OUTLOOK

**Journal of the Australian Institute of International Affairs**

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**Volume 36, Number 1** **April 1982**

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## ARTICLES



## BOOK REVIEWS

# Notes of the month

## THE POPE IN BRITAIN

POPE John Paul II's visit to Britain from 28 May to 2 June was decided upon in August 1980, when Cardinal Basil Hume of Westminster and Archbishop Derek Worlock of Liverpool went to Castelgandolfo to present him with the results of the May 1980 National Pastoral Congress. For many people, the National Pastoral Congress was the start of the 'second spring' of English Catholicism, of which Cardinal Newman dreamed. But that is not how John Paul saw it. The laity had participated and their liberal views on birth-control, the ordination of women and married men, the admission of the divorced and remarried to the sacraments, had tended to prevail. So in John Paul's eyes, the Bishops had been 'followers' rather than 'leaders'. He would, therefore, come to Britain to retrieve the situation. That was, originally, the first purpose of the visit. It fitted in with his general policy of restoration.

The second purpose of the visit was ecumenical. It could not be otherwise, for this was the first papal visit to a predominantly Protestant country (in West Germany, he confined himself to the mainly Catholic Rhineland and Bavaria). To offset 'Protestant' anxieties about the Pope coming here and claiming 'jurisdiction', it was described from the start as a 'pastoral visit', i.e. it had no political implications. That was easier said than done.

Though it may not have been realized at the time, John Paul was coming at a crucial ecumenical moment. In September 1981, the Anglican–Roman Catholic International Commission (ARCIC) concluded its work and presented its Final Report. The Report claimed to have resolved in principle the difficult problems linked with authority in the Church—the role of Peter and his successors, jurisdiction, infallibility. Anglicans conceded that there was a useful role for the Bishop of Rome acting as 'universal primate'; Catholics conceded that the papal style would have to change.

This gave added importance to the Canterbury meeting. For it was the first time the Pope had gone to a country with an ecumenical agreement already in the bag. The only other comparable meeting took place with the Ecumenical Patriarch in Constantinople in November 1979. But there they merely resolved to *inaugurate* the theological dialogue. By the time Pope and Archbishop met in Canterbury, the dialogue had been concluded. And since some members of both churches thought that the agreement went too far or was a betrayal, it became extremely important to observe how the Pope would respond to ARCIC.

Then something unexpected happened, and added a new twist to the visit—indeed, nearly caused its cancellation: on 2 April 1982, the Falkland Islands were invaded by Argentine troops and within days a British task force was assembled and despatched. If it was not quite a war, it was certainly, as the Pope called it, 'a military confrontation'. In his remarks on the subject, he remained resolutely even-handed—to the disappointment of both sides. He warned 'these two nations of

Christian tradition' of the dangers of escalation, and of international escalation. The advice from the Secretariat of State in the Vatican was that the visit should be called off: the Pope should not appear to show favour towards one party to a dispute.

The British Bishops sent a task force to Rome to save their visit. The Pope's central question was: would there be the right atmosphere for the visit? Would the message get across if people's minds were on the war? The Bishops reassured him on these points, though they were guessing. (A major disaster, such as the sinking of HMS *Hermes*, might have created an impossible atmosphere.) Two other moves helped to make the visit possible. Mrs Thatcher graciously said that she would forgo her and the government's meeting with the Pope, if this would help to make the visit apolitical. On this, Dr Ian Paisley shrewdly remarked: 'So the pastoral visit has at last been downgraded to the status of a pastoral visit.' The other saving idea was that the Pope should go to Argentina as soon as was practicable after the visit to Britain. This was agreed.

The result of these events was that the third purpose of the visit—the Pope's desire to make a plea for peace in a nation at war—now became paramount. From the moment he arrived, looking tense and rather apprehensive, he spoke of the need for 'a just and peaceful settlement'. He repeated this, in one form or another, every day of his visit. He made his strongest statement at Coventry airport on Whitsunday: 'Today, the scale and horror of modern warfare—whether nuclear or not—make it totally unacceptable as a means of settling differences between nations. War should belong to the tragic past, to history; it should find no place on humanity's agenda for the future.' The Pope did not apply this directly to what was happening in the South Atlantic. But he did not need to. It was evident that he regarded the conflict as irrational and irresponsible. Here and in Argentina, he sometimes sounded like a worried headmaster who finds schoolboy squabbles so minor on the world scene.

The Pope failed to stop the war. It went on with its own internal logic until victory for the one and defeat (unacknowledged) for the other. But this does not mean that the Pope's words were vain. For the problem remains: there is a conflict of 'rights', with the Argentines asserting a territorial principle and the British countering with the principle of self-determination. When tempers have cooled, there will have to be another attempt to negotiate. That is what the Pope was saying all along.

It was in the ecumenical field that John Paul's visit was most obviously a success. Though he did not refer to the ARCIC Final Report, he did something better: he acted as though he had assimilated its contents and envisaged his own papal role as that of 'presiding over the churches in charity'. He made no attempt to upstage the Archbishop of Canterbury, Dr Runcie. Together they venerated the Canterbury Gospel, reputedly brought from Rome by St Augustine in 598: this symbolized their common submission to the Word of God. Ministry in the Church is at the service of the Word, not above it. Together they renewed their baptismal promises: baptism sets up a dynamic drive towards full communion. And together they lit candles for the modern martyrs whose blood is the seed of the Church. John Paul lit a candle for Maximilian Kolbe, the Polish Franciscan who died at Ausch-

witz; and Dr Runcie lit a candle for the Roman Catholic Archbishop Oscar Romero, slaughtered at the altar in San Salvador two years ago.

Canterbury was historic, not just in the banal sense that 'for the first time' a Pope was present and officiated there. It was historic in the sense that it marked a turning point; its words and symbols will be pondered and commented upon for many years. As Dr Runcie put it: 'It blocked the way back.' There was a good deal of euphoria. But just as important was the way the Pope, and everyone else, discovered that ecumenism is a *popular* cause. Every reference to it was applauded. This was the spirit of the National Pastoral Congress which resolved 'to do everything together except what conscience obliges us to do separately'. Likewise, in Liverpool's Anglican Cathedral, there was more applause on arrival and departure. This is important for two reasons. First, it disposes of the argument, frequently advanced, that ecumenism is of interest only to a small group of specialists and that it leaves the masses indifferent. Secondly, Pope John Paul himself will have been greatly impressed, and no doubt surprised, by the enthusiasm displayed. And since he is a 'populist', he will take account in the future, more than he has in the past, of this groundswell towards Christian unity.

Finally, we reach the original purpose of the visit: restoration after the National Pastoral Congress. What is most remarkable is that it simply did not happen. It fell off the agenda. One literary form was notably absent from John Paul's sermons in Britain: the denunciation. In most countries he has visited, he has denounced abortion, artificial contraception and divorce in the most vigorous, indeed vehement language (for instance, in Washington on 7 October 1979). And he has regularly denounced the governments that, by their permissive legislation, make them possible and acceptable. None of this happened here. Why?

The simple answer is, I believe, that the Bishops told him that such hectoring, bullying tones would not go down well here, and the Pope accepted their advice. This further meant that on matters of sexual morality, he adopted the compassionate tone of the National Pastoral Congress. At York racecourse, he spoke of 'promoting the dignity of women'. He deplored not artificial contraception as such, but 'the spread of a contraceptive and anti-life mentality' which could arguably be something else. Parents who already have, say, five children, cannot be said to be betraying an 'anti-life mentality' should they have recourse to contraception. He spoke of the 'pain and anguish' of broken marriages, not of their wickedness. He had a word, too, on mixed marriages: 'You live in your marriage the hopes and difficulties of the path to Christian unity.' So they are the pioneers of future unity.

Thus the visit was an endorsement of the pastoral policies being pursued by our Bishops. There was just one hint of a warning, buried in almost impenetrable jargon in the address to Bishops at Westminster on the evening of 28 May. You make a contribution to the universal Church—he said in effect—but you must also recognize that 'you receive combined insights from the universal Church'. Do not, in other words, try to go it alone.

PETER HEBBLETHWAITE*

* Author of *The Papal Year* (London: Geoffrey Chapman, 1981) and *Introducing John Paul II, the Populist Pope* (London: Collins Fount Paperbacks, 1982).

## ISRAEL AND LEBANON

ISRAEL's invasion of Lebanon on 6 June had three interrelated objectives. The initial declared aim, enshrined in the code name for the operation—'Peace for Galilee'—was to push the Palestinian guerrillas out of their bases in South Lebanon in order once and for all to guarantee the safety of Israel's northern settlements from artillery or rocket attack. One of the prime conditions Israel set for its ultimate withdrawal from Lebanon was that a demilitarized zone should be established in South Lebanon, extending for about 25 miles north from the Israeli frontier. This should, in Israel's view, be policed by a multinational force including American troops, rather than by an expanded United Nations force which Israel regards as inherently toothless and unreliable. Israel has crucial American support for its demand for security in South Lebanon, although the United States is reluctant itself to become involved in a peace-keeping force.

Israel's second objective, which emerged once its forces had pushed deeper into Lebanon and approached Beirut, is to strengthen the Lebanese central government with a view to ensuring that the Palestinian guerrillas cannot re-establish their autonomous, armed presence once again. For Israel, this aim requires that both Palestinian and Syrian forces must leave Lebanon. Israel's hope is that the Lebanese government that emerges will be dominated by the Maronite Christian leaders with whom they have already established links, and that it will in the course of time sign a peace treaty with Israel. Here, too, Israel has a degree of American support for its demand that all foreign forces—Syrian, Palestinian and Israeli—leave Lebanon altogether. But, even if that happens, the prospects of a strong Lebanese central government emerging are not good. The fundamental differences between Muslim and Christian Lebanese remain, even without an aggravating Palestinian or Syrian presence. Indeed, they have been complicated by the recent emergence of a new, powerful Shiite faction which did not effectively exist at the beginning of the civil war seven years ago.

The third—and clearly overriding—Israeli objective is to strike a fundamental, and perhaps fatal blow to the military power and political standing of the Palestine Liberation Organization. In an interview two weeks after the invasion, the Israeli Foreign Minister, Mr Yitzhak Shamir, summed up his government's position when he said that 'the terrorists must be uprooted from the Middle East scene. When we are rid of this monster', he went on, 'the way to peace between us and the Arab states and peoples will be open and a new era will start in the region.'

It is undeniable that the PLO has suffered a body blow in Lebanon. Its losses in men and material have been enormous and its organizational infrastructure has been pulled apart. But the most serious loss to the PLO is the fact that it has been effectively deprived of its last remaining relatively free base of operations. Even if it manages to preserve something out of the wreckage of its position in Lebanon, things will never be the same again. For nowhere else can the Palestinians expect to be allowed to operate in comparable freedom. Israel has said that the PLO armed presence must be removed not only from Lebanon, but from all the Arab states surrounding Israel. It is unlikely anyway that Jordan, Egypt or Syria would

offer the Palestinians any freedom for military activity. Jordan's King Hussein has ousted the guerrillas once before, in 1970, and will not want to repeat the trauma that led up to that battle. Egypt is at peace with Israel and has no wish to put that at risk. And a refuge in Syria would condemn the PLO to being subservient to the interests of the Syrian government. It could be, therefore, that all that is left to the PLO will be the option of finding a haven in sympathetic Arab countries far away from the front line with Israel—for instance Libya, Algeria or South Yemen.

Israeli leaders—and some Americans—argue that the weakening of the PLO will have a beneficial effect on the search for peace in the Middle East. The Israeli view is that, were it not for the intransigence and extremism of the PLO leadership in Beirut and the power of intimidation it possesses over Palestinians and some Arab governments, Israel would be able to make peace both with the Palestinians of the West Bank and Gaza and with some of the key moderate Arab states. Some leading US politicians—notably the former Secretary of State, Henry Kissinger, —concur that a severely weakened PLO could provide an opportunity for American diplomacy to persuade Palestinians and Arab governments to settle for what they can get rather than holding out for something the PLO is no longer remotely capable of delivering. Even among some Arabs there is a sense that—even though they believe Israel will have at some stage to talk to the PLO—a chastened Yasser Arafat and his colleagues may be persuaded to make a more definite commitment to a compromise peace with Israel in return for being included in peace talks. This line of thinking was probably part of the reason behind Egyptian President Hosni Mubarak's suggestion that the PLO should now form a government-in-exile and that he would welcome it to Cairo.

However, the PLO promptly rejected Egypt's invitation and—far from persuading the PLO to become more moderate—the blow it has been dealt in Lebanon could have the opposite effect. Firstly, most Arabs would reject Israel's contention that Palestinians call the PLO their representative out of intimidation. The vast majority of Palestinians acknowledge the PLO rather because it embodies their aspirations. Up to now Yasser Arafat, representing the mainstream of Palestinian thinking, has shown himself tentatively prepared to accept a peace settlement based on the establishment of an independent Palestinian state in the West Bank and Gaza in return for Palestinian acceptance of Israel's existence. But in the wake of what most Palestinians regard as an Israeli attempt to destroy not just the PLO, but Palestinian national aspirations as a whole, and to force the Palestinians to accept the token autonomy that Mr Begin is offering them, Arafat's readiness to contemplate peace with Israel could emerge as a discredited approach. The radicals, who believe that no compromise with Israel is possible if Palestinian rights are to be restored, could be correspondingly strengthened, so making it even more politically risky than it has been up to now for any Palestinian leader to contemplate joining peace talks. The other possible consequence, which poses a danger not only to Israel but to the whole international community, is that extremist Palestinian groups, deprived of the capacity to attack Israel directly from bases in neighbouring countries, might turn once again to the tactic of international terrorism.

Such a shift in Palestinian politics could have profound implications for the Arab world. Yasser Arafat has already accused the Arab governments of failing to do anything effective to help the Palestinians against the Israeli onslaught. Pressure from a radicalized Arab opinion on the conservative, pro-Western governments such as that of Saudi Arabia to use the economic weapons at their disposal as a means of pressure on Israel's main ally, the United States, could intensify. And in the wake of Israel's action, undertaken with American weaponry, anti-American sentiments in the Arab world have been heightened. This could be particularly potent if combined with the influence of the Islamic fundamentalism of a victorious Iran, calling for the Muslim peoples of the Arab world to abandon their links with the West.

These dangers—and the opportunities they may present to the Soviet Union—are well appreciated in the corridors of power in the United States and Western Europe. The governments of the European Community have already condemned Israel's invasion of Lebanon in vigorous terms, calling it a 'flagrant violation of international law' and adding that it 'compromises the efforts to achieve a peaceful settlement of the problems of the Middle East'. The Community has even for the first time explicitly raised the possibility of sanctions against Israel. But when it comes to having any impact on Israeli policy, it is the United States that counts. The Reagan Administration was clearly angry at Israel's action, both because of its scale and the fact that it was launched without regard to the damage it might do to America's interests in the Arab world. The mood in Congress is more hostile to Israel than it has ever been. When Mr Begin visited Washington in late June, his conversation with the Senate Foreign Relations Committee was described by one Senator as angrier than any session he had known with a visiting head of government, with Senators pressing Mr Begin on whether—given the enormous casualties and damage caused—the Lebanon invasion could really be described as an operation for defensive purposes only. The Administration has been more cautious, although the replacement of Mr Haig by Mr George Shultz as Secretary of State may herald a tougher American policy, especially as one reason for Mr Haig's departure was widely thought to have been the unpopularity among his colleagues of his sympathetic approach to Israel's incursion into Lebanon. The US is well aware that if it fails to take action to get Israel out of Lebanon, the feeling could spread in the Arab world that the Americans share what the Arabs see as Israel's ultimate objective: namely, to emasculate the PLO as a prelude to an effective annexation of the West Bank and Gaza, so leaving no room for real Palestinian autonomy, let alone eventual self-determination. An editorial in the *New York Times*, traditionally sympathetic to Israel, recently warned Mr Begin against 'confusing destruction of the PLO with the destruction of all Palestinian aspirations'. The Reagan Administration will want to ensure that Mr Begin is left in no doubt that, as far as the United States is concerned, a real measure of self-government for the Palestinians must be negotiable, whatever happens to the PLO.

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## THE VERSAILLES SUMMIT AND EAST–WEST TRADE

There are several reasons why the West's policies on East–West economic and financial relations were an important item on the agenda at the June 1982 economic summit at Versailles. Largely as a result of American initiatives, there are a number of outstanding issues requiring urgent attention. These include the controversial Urengoy gas pipeline, which will increase the supply of Soviet natural gas to Western Europe and could be delayed by a US embargo on turbine parts required by European exporters of pumping stations. The future form of Western security export controls within CoCom, the co-ordinating committee on East–West trade, might also be affected by decisions taken this year, as might the supply of Western credit to Eastern Europe and in particular officially backed credits to the Soviet Union. Finally, there is the question of what to do about Poland, which does not appear to have been discussed at Versailles. Underlying all these short- or medium-term issues is a long-term American effort aimed at persuading the largely reluctant West Europeans that the level of East–West economic relations has implications for Western security. Whilst the United States tends to see economic and financial relations as an extension of East–West political and military competition, West Europeans lean more towards the view that most East–West trade should be conducted according to commercial criteria. The Versailles summit did not, and could not be expected to, resolve any of the specific issues. Nor has it produced any convergence of views on the role of economics in East–West political relations. Thanks to American persistence, the summit has, however, ensured that the transatlantic discussion or dissension on East–West trade will continue.

The wording of the communiqué was, of course, ambiguous, but it was sufficient to satisfy the Reagan Administration because it provides the basis for a continued US diplomatic effort aimed at changing the general direction of Western policies on East–West trade. At the Ottawa summit last July, the new US Administration initiated a comprehensive review of Western security export controls. In January this year, the West European Nato allies agreed to 'reflect on (the) longer-term East–West economic relations . . . in light of . . . the need to protect (their) competitive position in the field of military and technological capabilities'.[1] The Versailles summit has consolidated this by committing the participants to 'work together to improve the international system (CoCom) for controlling exports of strategic goods . . . and the national arrangements for the enforcement of security controls'. In CoCom the multilateral forum for discussing security export controls already exists, and the US has used it to pursue certain objectives. It has sought improved enforcement of existing controls by better co-ordination of national procedures; and progress towards this objective has already been made in recent months. The US has faced more opposition from the Europeans over its proposal to create a committee of military experts to assist CoCom. As this would have tilted the balance from economic interests in exporting to security interests in embargoes, the Europeans appear to have blocked it.

[1] Nato communiqué, 4 January 1982.

On the vital issue of what exports should be embargoed for security reasons, the US appears to have obtained from the West Europeans agreement in principle on the concept of military critical technology. This concept remains imprecise, despite years of work on it in the Pentagon, but, in essence, it means controlling the transfer of know-how rather than the export of hardware. Just how it affects the West's export control policy depends on how the idea is implemented in CoCom, which will begin to discuss the new criteria during the course of its next regular major review this autumn.

In respect of the Urengoy gas pipeline, the Reagan Administration has still to lift its embargo on US components. Some months ago, the consensus of views in Washington was that outright efforts to block the project would be counterproductive. Rather than risk precipitating a major rift in the alliance, which would be more costly to the West than a delay on the pipeline would be for the East, the United States appeared to have shifted its attention to the supply of officially backed Western credit to the Soviet Union. In a decision on 19 June, however, President Reagan elected not only to continue the embargo but to extend it.

In the end, limiting the flow of credits has the same effect as denying the Soviet Union hard currency earnings from exporting gas, which is the main reason for US opposition to the pipeline project. Both reduce the availability of financial resources in the Soviet Union, and thus its ability to import Western technology or, as some Americans would argue, its ability to sustain a military build-up. An agreement with the Europeans on reducing the degree of subsidy in Western (European) credits has, however, always looked more likely than agreement on trade embargoes. The economic rationale for avoiding competitive export credit subsidization for trade with the Soviet Union is widely recognized in Europe. Indeed, agreement is now close on reclassification of the Soviet Union as a relatively rich country for the purposes of the OECD consensus on minimum interest rates for export credit. Along with proposed increases in the general minima, this would increase the cost of credit for the USSR, and reduce any subsidy.

The more ambitious US proposal for limiting the volume of officially backed credit for the Soviet Union by a quota system has met with firm resistance in Europe. As credit is likely to play a central role in the East–West economic relations of the 1980s, there is no desire to institutionalize a further means of bringing economic pressure to bear on the USSR when the West has not agreed on the political and strategic role of such economic links. As President Mitterrand put it, there is no desire to create an 'instrument of tension'.

The summit communiqué is again ambiguous on credit. In the context of a general need for the West to adopt a 'prudent and diversified economic approach to the USSR and Eastern Europe',[3] it refers to the 'need for commercial prudence in limiting export credits'. The French and British are likely to argue that, everything considered, their policy on credits has always reflected commercial prudence, whilst the Germans will interpret 'limiting credit' as in no way precluding an increase in the volume of credit receiving official guarantees. The communiqué is,

[3] London Press Service, *Verbatim Service* 98/82, 7 June 1982.

however, the first ever reference to limiting credit and will therefore go some way to placating the more hard-line US opinion.

The summit also provided for periodic *ex post* reviews of East–West economic and financial relations; and set up a framework for further deliberations in the OECD where there will be a regular exchange of information on 'all aspects of (the West's) economic, commercial and financial relations' with the East. The United States was, therefore, successful in establishing another forum in which to pursue its long-term diplomatic effort aimed at persuading its allies of the strategic implications of East–West economic links. If nothing else, the Versailles summit has ensured the continuation of what is at present an acrimonious debate within the Atlantic Alliance on East–West trade and finance.

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## MAURITIUS AFTER THE JUNE ELECTIONS

MAURITIUS, the multi-racial sugar island in the Indian Ocean about 1,500 miles off East Africa, went to the polls on 11 June. It was only its second general election since it achieved independence within the Commonwealth in 1968, the elections due in 1972 having been postponed because of the declaration of a state of emergency.

A landslide victory of the socialist *Mouvement Militant Mauricien* (MMM), the opposition party, had been widely predicted, but no one foresaw that it would win all 60 seats in the legislature and that the veteran Prime Minister, Sir Seewosagur Ramgoolam, the leader of the governing Labour-led coalition which guided Mauritius into independence in 1968, would fail to be elected in his own constituency. Not only is the MMM the first opposition party in post-colonial Africa to win power through the ballot box, but the democratic transformation of Mauritius into a one-party state after a peaceful, riot-free election in which some 90 per cent of the electorate voted, is probably a unique event in the history of parliamentary democracy.

The MMM, which already in the 1976 election had emerged as the largest single party, owes its victory to the dynamism, organizational ability and political flair of its youthful leader and Secretary-General, Paul Berenger, a Franco-Mauritian lawyer who learnt his socialism in Paris in the heady days of 1968. Berenger's first successful task on his return to Mauritius was to organize the island's trade unions into a significant political force. He then realized that to achieve victory at the polls he needed to win a high percentage of the Hindu vote (the Hindus, the largest community, represent 52 per cent of the total population of some 1 million) which in previous elections had gone overwhelmingly to Ramgoolam. He therefore formed an alliance with the *Parti Socialiste Mauricien* (PSM), a breakaway from Labour led by an ambitious young Hindu, Harish Boodhoo, to whom he promised

the deputy premiership. The Chairman of the MMM, Aneerood Jugnauth, a Hindu barrister and a former minister in Ramgoolam's coalition government, was guaranteed the premiership, and Cabinet posts were also promised to Moslems, the third largest community in the island and strong supporters of the MMM. Berenger reserved for himself the all-important portfolio of Finance. All these promises have now been honoured. It is this appeal across all the communities of Mauritius—Hindu, Moslem, Chinese and Creole—which distinguishes the MMM from all other parties, and accounts largely for its crushing victory at the polls.

However, there are also other factors. First of all, Berenger has from the start directed his attention and colourful oratory to the Mauritian youth who, as in many other developing countries, constitute a large percentage of the total population. He realized that they were now better educated and felt increasingly alienated from what they saw as a clique of ageing, allegedly corrupt politicians who had manipulated power for the last 22 years, and that they were disenchanted with the immobilism of a Labour Party rooted in the past, whose single aim seemed to be to hang on to power by any means for as long as possible. On this very fertile ground, Berenger worked with enormous enthusiasm. He built up a strong and highly motivated grass root support, transcending communal barriers throughout the island, right down to the remotest spots. Like President Mitterrand in France he promised change, the elimination of all corruption, gradual nationalization of the commanding heights of the economy, regional development and greater powers to the local authorities, the creation of thousands more jobs, real participation of workers in the management of all enterprises, and a greater role for women in public life. His aim, as expressed in his manifesto 'For A Socialism With A Mauritian Face', is to develop a free, egalitarian and just society in Mauritius. It is no wonder, therefore, that the voters have responded so enthusiastically to his appeal.

Probably the most immediate reason for the MMM's success has been its promise to arrest the precipitous decline of the Mauritian economy in the last five years. The backbone of the economy is the sugar industry, which accounts for about 70 per cent of export earnings and is the chief employer. Joseph Conrad, who visited the island towards the end of the last century, wrote: 'First-rate sugar cane is grown here. All the population lives by it and for it. Sugar is their daily bread.' This is almost as true today as it was then. The trouble with a monoculture economy is that it is at the mercy of the zigzagging price of its chief crop. After enjoying a boom period in the mid-1970s, when the price of a ton of sugar at one time reached £650, the economy deteriorated rapidly with the fall of the price of sugar to £300 in 1980, £200 in 1981 and now £100, less than half the cost of production. Since Mauritius sells about a fourth of its crop on the free market (the rest is sold to the EEC at a guaranteed price), the financial blow was severe. A hefty devaluation of 33 per cent of the Mauritian rupee in 1979 failed to redress the situation and had to be followed last year by a further 20 per cent devaluation. The performance of the economy in the last three years has been altogether disastrous. GDP growth, which had averaged 3 per cent in 1978–9, turned nega-

tive in 1980, investment fell by 9 per cent, while the balance of payments plunged further into the red, reaching some 14 per cent of GDP. As a result, Mauritius had to borrow heavily from the IMF, the World Bank and commercial banks. The budget has been in substantial deficit for the last five years, inflation tops 30 per cent, and unemployment exceeds 20 per cent of the workforce.

The sugar industry has been hit particularly hard by steeply rising labour costs as a result of trade union activity. Formerly one of the most efficient sugar producers, it now has one of the highest production costs in the world. Furthermore, it has to bear the crushing burden of a 23 per cent export duty on its sugar income. The result is that the industry has made heavy losses in practically all of the last five years and is unable to invest in much-needed new machinery and equipment. The crowning misfortune, however, was the 1979 cyclone which reduced the 1980 crop to 475,500 tons, compared with 688,000 tons the previous year. The 1981 crop was also under 600,000 tons, not even sufficient to meet the Mauritius quota to the EEC (500,000 tons) and local market requirements.

The government, of course, blamed the worsening situation on the world economic crisis. And it is true that dearer oil imports now absorb over 20 per cent of export earnings, that the terms of trade are increasingly unfavourable, that higher air fares have hit tourism, and that protectionist trends have partly closed many European markets to Mauritian textile exports. But the real trouble was the deep political malaise which lasted far too long and aggravated the economic crisis. Everyone was waiting for the '*bonhomme*' or 'Cha Cha' (as Ramgoolam is affectionately known) to retire, but he clung on to power and would not hand over to a younger man.

Now that he has won, Berenger faces some daunting prospects, and his first move has been to reassure the population and foreign opinion. In a responsible and moderate speech immediately after his victory, he asked for the co-operation of the 33 per cent of the population which had not voted for him, and urged all the country's brains not to leave the island, because they would be desperately needed at home. But he also promised that the MMM manifesto would be fully implemented. First of all, his 100 per cent majority will allow him to alter the Constitution and turn Mauritius into an Indian-style republic with a non-executive presidency. The holding of elections every five years will be made mandatory, a measure highly welcome to all Mauritians. There will be a compulsory acquisition by the government of certain sectors of the economy on deferred payment terms; and tax and custom duty evasion will be ruthlessly eliminated.

The MMM's foreign policy, as very summarily sketched in its manifesto, is 'to pursue a resolutely neutralist line'—which means abandoning Ramgoolam's pro-Western stance in favour of non-alignment. The centrepiece of this policy will be the demilitarization of the Indian Ocean and especially the return to Mauritius of the Chagos Archipelago some 1,200 miles to the north-east, which includes the US military base of Diego Garcia. This atoll was detached from Mauritius in 1965, well before independence, in exchange for a compensation of £3 million, and leased by Britain to the United States. The issue is further complicated by the abject plight of the 1,400 inhabitants of Diego Garcia, the '*ilois*' as they are called, who

were deported to Mauritius in 1965 and have never been integrated into their new surroundings. In an attempt to defuse the issue, the British government set up last March a £4 million trust for the rehabilitation of the *ilois*. Berenger and his new Foreign Minister, Jean Claude de l'Estiac, insist that they will seek talks very soon with the US and Britain to restore the sovereignty of Mauritius over Diego Garcia and to close the military base, and that they are prepared, if it is refused, to appeal to the United Nations and every international forum. Since Diego Garcia was legally created by a treaty, has become the main US base in the Indian Ocean and is considered vital for the defence of Western interests, it is unlikely that they will make much headway.

The other main plank of the MMM's foreign policy is to reduce gradually the economic dependence of Mauritius on South Africa. However, there are signs already that the MMM will tread very carefully there, since South Africa is the second largest market for Mauritius tea exports and an important source of tourist revenue. It is also becoming increasingly clear that Berenger has toned down his previous Communist red to Socialist pink, and that Mitterrand, rather than Castro, will be his chosen model.

On the home front, however, he will have to grapple with a very precarious economic situation, and will be very dependent on international aid. Luckily for him, this year's sugar crop will be above average, and the negotiated price of the Mauritius quota with the EEC will be increased by 9·5 per cent. Nevertheless, there is a danger that the same phenomenon which was observed in the Seychelles after the Socialist Albert René ousted James Mancham may be repeated in Mauritius: tourist income may drop considerably, at least for a few years, and foreign investors may shun the island for a time, thereby complicating further the difficult task of economic recovery.

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# Practice and theory in Soviet arms control policy

OTTO PICK

THE present Soviet Constitution, dating from 1977, defines the purpose of Soviet foreign policy in clear and unambiguous terms: 'The foreign policy of the USSR is aimed at assuring international conditions favourable for building Communism in the USSR, safeguarding the state interests of the Soviet Union, consolidating the position of world socialism, supporting the struggle of people for national liberation and social progress, preventing wars of aggression, achieving complete and universal disarmament, and consistently implementing the principle of peaceful co-existence of states with different social systems.' (Article 28). The mention of disarmament in this catalogue of virtues could be dismissed as empty rhetoric, but its inclusion at the time was projected as a response to 'popular' demand and it certainly mirrors one of the major preoccupations of Soviet foreign and defence policy. The Soviet leaders must know that 'complete and universal disarmament' lies outside the realm of practical politics today, but they are naturally keen to control the weapons at the disposal of potential enemies, even if that means that they might have to negotiate about the levels of their own arsenal.

## The correlation of forces

Although Soviet foreign policy may claim to derive its aspirational targets from the allegedly scientific generalizations of Marxism-Leninism, its operational guidelines are theoretically rooted in the much more realistic concept of the 'correlation of forces'. This is little more than an elaboration of the traditional balance of power, with one very fundamental difference. While the theorists of the balance of power at least pretend that the aim is to create an equal distribution of power in the international system in order to maintain an equilibrium, the practitioners of the correlation of forces act in the expectation that the base of the global order is inexorably tilting in favour of the 'socialist' world because of the predetermined self-destructive features of capitalism. Soviet statesmen therefore merely have to pursue policies designed both to benefit from and to serve the inevitable historical process predicted by Marxist analysis. To achieve this end, the correlation of forces must be maintained at a reasonable level from the Soviet point of view and all available opportunities for manipulating and adjusting it must be seized. Soviet policy planners are therefore very aware of the need to reconcile essentially long-range goals with short-term interests, and their task is made much more difficult by immediate problems such as their country's economic deficiencies and, in the military sphere, by the Nato decision to modernize the Alliance's long-range theatre nuclear forces in Europe.

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It is conceptually pointless to discuss Soviet foreign policy in terms of either offensive or defensive characteristics, but it is much more useful, particularly when examining Soviet arms control proposals, to draw distinctions between short-term and long-term goals. The control of nuclear armaments represents an area where talks are both necessary and possible, and where the present correlation provides the Soviet Union with an advantageous baseline for negotiations.

**Negotiating about the strategic nuclear balance**

As long ago as 1961 it was argued in Washington that all aspects of co-operation and agreement with the USSR should depend on Soviet good behaviour. The delusion of linkage was immediately rejected by the Soviet Union and it could never be applied in a consistent manner by the United States. President Carter's decision to withdraw the SALT II Treaty after the Soviet invasion of Afghanistan prevented its rejection by the Senate, but the move was also seen as an exercise in linkage. However, President Reagan, despite the emphasis on linkage during his election campaign, has had to concede that the question of nuclear arms control is so important that it must be dealt with regardless of other issues.

It took the Reagan Administration ten months to make up its mind to negotiate about nuclear weapons in Europe, and even longer to go into the Strategic Arms Reduction Talks (START). Nevertheless, the tacit abandonment of linkage, underlined by the lifting of the US grain embargo and directly expressed by the decision to start talking about nuclear weapons in Europe despite the deteriorating situation in Poland, has given the Soviet Union a considerable psychological advantage. More significantly, the USSR is negotiating at a time when the correlation of forces in nuclear terms appears to have moved in its favour. It is therefore in a better position to court public opinion on both sides of the Atlantic with apparently constructive and sensible proposals.

Since 1964, the nuclear balance has been moving in favour of the Eastern bloc and the West's technological lead has been reduced. In 1972, the USSR disposed of 2,500 warheads against America's 5,700. Ten years later the gap has been narrowed to 8,040 Soviet warheads as against 9,480 on the other side. More significantly, the USSR has made considerable technological progress in deploying multiple and independently targeted re-entry vehicles. In terms of overall nuclear destructive force, Soviet capability is now more than double that of the United States—almost 8,000 megatons as against 3,500 megatons. Both super-powers have the means to destroy each other and most of the world many times over and yet it has been the Soviet Union which has been much more skilful in exploiting the position of nuclear absurdity in which they find themselves.

Soviet policy and propaganda, operating from a possibly illusory base of perceived advantage, has benefited from the remarkable growth of an essentially populist movement in the West stimulated by widespread horror at the prospect of nuclear conflict and nourished by loose talk in the United States of being able to fight, win and survive a limited nuclear war. The leaking of a recent Pentagon strategy paper in June, which stated that 'US nuclear capabilities must prevail even under the condition of a prolonged nuclear war' has not helped to reassure public

opinion in Europe and has provided the American advocates of a nuclear freeze with fresh ammunition.

On the other hand, little has been said about Soviet war-fighting doctrine. Following Khrushchev's fall from power in 1964, the Soviet military press carried a spate of articles which emphasized the capacity of the Soviet armed forces to fight and survive a nuclear war. For a time, some Western commentators were able to frighten themselves with accounts of Soviet war-survival doctrine, based on absurd Soviet claims about the efficiency of their civil defence programmes and their ability to evacuate some of their major cities in face of threatened nuclear strikes. After 1973, Soviet declaratory policy underwent a complete change, and in public statements for consumption abroad the stress was again placed on the defensive nature of Soviet foreign policy and military doctrine.[1] But the military handbooks continue to press the old line. Thus, the Soviet Military Encyclopaedia, published between 1976 and 1980 well after the start of détente, called for 'military technological superiority over the enemy'[2] and again argued that the Soviet Union could win and survive a nuclear war.[3] Indeed, in July 1981 Marshal Ogarkov, the Chief of Staff, even repeated this claim in *Pravda*. This contradiction has been largely ignored by the more vocal critics of the American positions, but it is not illogical when viewed in the context of the opportunistic doctrine of correlation of forces. The manipulation of public opinion is used to maintain short-term advantages, but this does not imply any abandonment of fundamental policy goals such as the pursuit of technological superiority. Of course, Soviet statements that the USSR could survive a nuclear war are as preposterous as similar views expressed elsewhere, but if these ill-founded beliefs were to dominate the thinking of the decision-makers in the Kremlin, the risk of nuclear war would be greatly increased.

European movements opposing the proposed deployment of Pershing II and cruise missiles have had a profound effect on the attitudes of the Belgian and Netherlands governments[4] and have helped to create a serious crisis within the Social Democratic party (SPD) in the Federal Republic of Germany. In the United States, these fears, combined with alarm at the mounting cost of the Reagan Administration's rearmament programme, have given rise to a co-ordinated groundswell of opinion favouring a nuclear freeze, which has begun to affect the grass roots of American politics.

On 9 May, President Reagan finally announced that the United States was prepared to negotiate about phased reductions of strategic nuclear weapons. This proposal envisaged that, at the end of the first phase, warheads would be reduced to equal levels at least one-third below their current total and that no more than half these warheads would be deployed on land-based missiles. In the second phase, equal limits on missile throw-weight would be sought. A final agreement would have to contain proper verification measures.

This American initiative may have come rather late in the day after many

[1] E.g. General M. A. Milstein in an interview with the *New York Times*, 25 August 1980.

[2] *Sovetskaya Voyennaya Entsiklopedia* (Moscow: Voyenizdat), Vol. 6, p. 500.

[3] *ibid.*, Vol. 2, pp. 308–9.

[4] See J. A. Emerson Vermaat, 'Neutralist tendencies in the Netherlands', *The World Today*, December 1981.

months of delay, during which the Soviet Union was allowed to encourage the build-up of a vociferous and politically significant 'anti-nuclear' movement in Western Europe and North America. The tardiness of the American response was symptomatic of the false sense of priorities which characterized the early months of the Reagan Administration and is seen by many as an attempt to catch up with public opinion instead of leading it. The Soviet Union was, in fact, allowed to seize the initiative and even Brezhnev's rejection of the American plan was regarded as reasonable by many critics of US policy. Addressing the Congress of the Communist youth organization, the Komsomol, on 18 May, the Soviet leader described Reagan's proposals as 'absolutely one-sided' because they excluded the missiles which are of most urgent concern to the Soviet Union—the long-range theatre weapons which Nato hopes to deploy in Europe to balance the potential of the Soviet SS-20. Nevertheless, President Brezhnev welcomed the American offer to start negotiations on strategic arms control as 'a step in the right direction'.

The long awaited START talks which began in Geneva at the end of June, have produced another paroxysm of propaganda in Moscow. 'Peace' rallies, organized by the official 'peace' campaign, which certainly does not represent a true counterpart to Western movements calling for nuclear disarmament and merely exists to support official policies, have multiplied. In late May, Soviet officials received a CND delegation from Britain, and at the beginning of June, a ship carrying members of the Greenpeace environmentalist group was welcomed in Leningrad. Finally, on 15 June, the Soviet Union made its bid to outdo President Reagan on his home-ground. Speaking in New York, at the special United Nations session on disarmament, the Soviet Foreign Minister, Andrei Gromyko, pledged unconditionally that his country would never be the first to use nuclear weapons. The United States has consistently refused to join in similar declarations on the ground that such a promise would deprive Nato of its main deterrent against a conventional attack, and the Americans continue to adhere to this logical, though emotionally unappealing, position. It would appear, however, that in psychological terms the Soviet Union enters the START talks with a definite advantage.

## The SS-20

President Brezhnev's announcement at the 17th Congress of Soviet Trade Unions in March that the Soviet Union was immediately suspending its deployment of SS-20 missiles west of the Urals, and that this freeze would last until an arms agreement was concluded with the United States or until the start of the positioning of Pershing II and cruise missiles in Western Europe, had been precisely calculated to reinforce the anti-nuclear movements in the West and to maintain the superiority in nuclear weapons which the USSR has achieved in the European theatre. The Soviet Union now has 300 SS-20s targeted against Western Europe; in 1979, there were 100. The SS-20 is a solid-fuel missile system, equipped with three multiple independently targeted warheads; it is very accurate and, because it is mobile, it is less vulnerable and more versatile than the weapons it has replaced. In short, it represents a significant qualitative advance in medium-range nuclear weaponry,

and in conjunction with the Soviet Union's conventional superiority, it has profoundly affected the European balance. Nato, on the other hand, has no land-based missiles in Europe capable of hitting Soviet territory. The Soviet leaders' apparent dedication to the status quo is not unreasonable from their point of view, as it would simply freeze the momentary advantage they hold at present in the correlation of forces. Their nuclear superiority in Europe seems even to have encouraged them to offer concessions in conventional terms. The draft proposal, tabled last February by the Warsaw Pact at the balanced arms reduction talks (MBFR) in Vienna, calling for initial cuts of 20,000 Soviet and 13,000 US troops in Europe with the aim of ultimately bringing down manpower levels to 900,000 on both sides in Nato and the Warsaw Pact, is again designed to present the Soviet Union in the best possible light—although it ignores its much greater reinforcement capability.

It can, of course, be held that there is a sufficiency of nuclear weaponry located outside Europe capable of decimating the USSR and that this should be enough to deter any Soviet military moves against Western Europe. Yet, this view overlooks the argument that local Soviet superiority in Europe, in addition to providing immediate political advantages by creating an environment conducive to the pursuit of aggressive diplomacy, also places additional strains on the American nuclear guarantee. If the only possible response to the SS-20 were to be an American strategic bombardment of the USSR, it is more than probable that any US President would be deterred from exercising this option by the increased vulnerability of his own country in face of the remarkable technological progress the Soviet Union has been able to achieve since the mid-1970s. Europe would thus become an expendable hostage in the nuclear game and America's freedom of action would be severely curtailed. The long-term Soviet aim of decoupling Western Europe from the United States would be greatly advanced.

The well-rehearsed arguments about the credibility of the American nuclear guarantee are academic in the worst sense of the word. At present, the Soviet Union has the psychological advantage of being able to make superficially attractive proposals, while being free from the strains imposed on the Western Alliance by the proposals to modernize theatre nuclear forces in Europe. President Reagan's 'zero-option' has done little to reduce this position, for it does not come to grips with European doubts about the credibility of the American guarantee, although more could have been done to develop its potential to influence public opinion.

### The Leninist analysis of capitalism

The Marxist concept of revolutionary development is firmly based on the dialectic analysis of the internal contradictions of capitalism which, according to Lenin, is predetermined to begin to disintegrate at the imperialist stage. Despite the spate of revisions to which Marxist and Leninist dogma has been subjected since 1917, Lenin's successors have never abandoned this particularly Utopian belief. The arms race may not be irrelevant in this context—as long ago as May 1953, President Eisenhower warned that the Soviet Union would try to 'force upon America an unbearable security burden leading to economic disaster'. It is

at least arguable whether the sudden increase in defence spending, leading to vast deficits, high interest rates, social insecurity and economic tension within the Atlantic Alliance, really serves the best interests of Western societies. In particular, US demands for a rise in European defence contributions to Nato are bound to cause new difficulties.

The Pentagon's financial requests for 1981 and 1982 represent an increase of 56 per cent after inflation over 1980. The five-year forecast of US defence expenditure amounts to 1·5 trillion dollars.[5] Furthermore, the West suffers from structural disadvantages in comparison with Soviet practice. A disproportionate share of defence expenditure is eaten up by the cost of salaries and retirement payments. Western procurement procedures, involving constant changes during the development stage of new-weapon systems, are markedly less efficient. The Soviet Defence Ministry appears to exercise much tighter control over design changes. Command economies have certain advantages in this respect and the cut-throat competition which distorts Western defence procurement would seem to confirm the Leninist analysis of the self-destructive tendencies affecting capitalist societies.

Although Western estimates of Soviet defence spending are based on sometimes doubtful criteria, such as estimating Soviet manpower costs on the basis of US pay rates, it is clear that the Soviet economy is not really able to cope with the demands of the Soviet military. An arms race can be a double-edged sword. Moscow's frantic efforts to maintain the status quo may stem partly from an awareness of the Soviet Union's economic weakness. The USSR's military effort has also to take account of the long-standing dispute with China and Brezhnev's recent overtures to Peking must owe something to this consideration. The per capita GNP of the Soviet Union is still only half of the US level, and the prodigious rise in military expenditure during the Brezhnev years must be seen against the background of declining economic growth rates and an increased emphasis on secondary industries intended to satisfy some of the rising expectations of Soviet consumers.

## Brezhnev's peace offensive

The ideological justification of Soviet foreign policy has remained unchanged since the Revolution. The Soviet Union is always for peace, but peace on its own terms—a state which can only be achieved by the universal victory of the proletariat, for the 'imperialist' powers are allegedly always impelled towards war by the internal contradictions of the social system they profess. In the meantime, the national interest of the USSR, as well as the Utopian blueprint outlined by Marx and Lenin, demand that the correlation of forces should be continually adjusted. This conception of international relations allows for considerable flexibility, for in the final analysis almost all short-term policies can be rationalized by reference to an unchanging ideological premise: the Soviet Union, while it has to act like any other state in the international system, remains fundamentally different because of its long-term mission and purpose. It may, of course, be true that the confusion between ideology and pure national interest in the making of Soviet foreign

[5] *Strategic Survey, 1981–2* (London: International Institute for Strategic Studies, 1982), p. 39. See also Press Release by Department of Defense, Washington, D.C., 8 February 1982.

policy has become more pronounced as the memory of the Revolution has receded, but the present generation in the Kremlin still has to think within the constraints imposed by doctrine and dogma, because it has no other conceptual framework to which it can refer.

In waging his current peace offensive, Brezhnev is manipulating the correlation of forces with skill and finesse. His primary aim is to head off the modernization of Nato's nuclear arsenal in Europe and to delay and possibly reduce President Reagan's rearmament programme. Brezhnev's modus operandi furthermore serves to tighten the psychological tensions which have so often disturbed the transatlantic relationship at a time when the United States finds it increasingly difficult to cope with this challenge. There might even be other beneficial spin-offs in reducing the military burden the Soviet economy has to bear and in reshaping relations with China.

In the short term, the doctrine of the correlation of forces places a premium on the exploitation of opportunities and here, at least, Brezhnev would appear to be a worthy successor to Lenin, perhaps the most polished opportunist of them all. The present policy acknowledges the changes in the international environment which have occurred in recent years. The economic expectations nurtured by the early years of détente have been disappointed and the Polish experience has certainly given rise to doubts about foreign economic ties. An arms freeze would therefore help to underpin the precarious foundations of the Soviet economy, while preserving the USSR's relative military strength. This last factor is all the more important because of the Soviet Union's use of military power as an instrument of foreign policy, exemplified by the invasion of Afghanistan and by Soviet actions in the Horn of Africa in 1978. Despite the cautious attitude Moscow has so far displayed towards the Polish crisis, military power obviously also plays an important role in maintaining a reasonable degree of Soviet control over Eastern Europe. Brezhnev naturally wants to have his cake and eat it, and for the time being he appears to be succeeding, at least as far as his dealings with the Reagan Administration in the field of arms control are concerned.

# Socialism with a martial face

ADAM BROMKE

EVER since the decline of Stalinism Poland has occupied a unique position in Eastern Europe. It is the only country in the region where the workers have repeatedly changed the Communist government by resorting to strikes. They did it in 1956, when Poznan workers ended the Stalinist rule and Wladyslaw Gomulka took over. They did it again in 1970 when workers in the Baltic cities overthrew the stagnant Gomulka regime and brought Edward Gierek to power. And in 1980, Gierek in turn was toppled and replaced as the party's First Secretary by Stanislaw Kania.

There was a qualitative difference, however, between the upheavals in 1956 and in 1970 and that in 1980–1. On the first two occasions, the Poles neither questioned the dominant role of the Communist party in the country nor Poland's participation in the Warsaw Pact. The reforms remained within the existing political system. Some were subsequently withdrawn, but some stayed. After 1956, the Communists' efforts to collectivize agriculture were for all practical intents and purposes abandoned. After that time, too, the Catholic Church went from strength to strength, culminating in the triumphal visit of John Paul II to his native country in 1979.[1] After 1970, the Communist government showed greater concern for the people's standard of living, and Poland's contacts with the West were considerably expanded. And from the mid-1970s, the activities of the unofficial democratic opposition were also tolerated.[2]

## Incremental revolution

The strikes in the summer of 1980 started as a protest against deteriorating economic conditions, but soon acquired distinct political overtones. The workers were no longer satisfied with a mere change of the Communist party leaders, but insisted on protecting their achievements with institutional reforms. As time went on, continuance of the political system itself was put into question.

The most visible aspect of the popular upheaval was the rise of the independent trade union of industrial workers, 'Solidarity', but a new political climate soon permeated all segments of Polish society. The farmers, the students, the intellectuals and the Catholics, all demanded expansion of their freedoms. Indeed, many Communists joined the Solidarity ranks and they began to advocate internal

[1] See George Blazynski, 'The Pope among his people', *The World Today*, July 1979.
[2] For developments in Poland in the 1970s, see this author's *Poland. The Last Decade* (Oakville, Ontario: Mosaic Press, 1981); also Pedro Ramet, 'Poland's "other" parties', *The World Today*, September 1981.

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The author wishes to express his thanks to the Social Sciences and Humanities Council of Canada for a research grant which enabled him to visit Poland in May–June.

democratization within their party. By mid-1981, then, there emerged a powerful popular movement pressing for the 'renewal', as the Poles called it, of virtually all aspects of the country's life.[3] It was non-violent and gradual, or, more precisely, it was incremental, but it amounted to a revolution.

Various factors contributed to the steady radicalization of the Poles' political demands. First, there was little trust in the Communist government. The people remembered that after both 1956 and 1970 many promises were not kept by the Communists. When the party reconsolidated its position, at least some initial concessions were withdrawn in each instance. In 1980, by institutionalizing the changes, the Poles strove to prevent this from happening again.

In 1956, the Polish people were held back by the recollections of their defeats during the Second World War and the still more recent repressions they had suffered under the Stalinists' rule. By 1980 a new generation of Poles, free from the defeatist memories of their fathers, had come of age. They were impatient with the restrictions on their freedom and were determined to press, regardless of the risks, for democratic reforms. The leaders who emerged in the Solidarity ranks were predominantly young people—in their thirties or even in their twenties. They were inexperienced, and often overimpressed with their initial successes.

The workers' upheaval in 1970 was spontaneous. The intellectuals played no role in it. In contrast, in 1980 the intellectuals were behind the workers all along. The very idea of forming free trade unions originated in the late 1970s with the democratic opposition, and particularly with the Committee for the Defence of the Workers (KOR). The nucleus of such unions was particularly strong in the Gdansk area. Subsequently, many former KOR activists emerged as key advisers in Solidarity. Their influence was tempered by that of the more moderate Catholic advisers around Lech Walesa, but the KOR men continued to play important, and at times even decisive, roles in formulating the workers' demands.

Finally, the Poles were influenced by the changes in the international sphere. Many believed that, after a period of détente in East-West relations and particularly after the signing of the Helsinki accords in 1975, a Soviet intervention in Poland was no longer feasible. Some put their faith in diplomatic support from the West. A prominent Catholic writer, Stefan Kisielewski, even argued that a Soviet invasion of Poland could spark a third World War.[4] The KOR people also hoped that the changes in Poland would spread into other East European countries and perhaps into the Soviet Union itself. They strove to establish links with the Czech and Soviet dissidents and considered themselves the vanguard of a broad reform movement in the Communist orbit.

The incremental revolution in Poland came to fruition in the platform adopted by the first national Solidarity Congress held in Gdansk in September-October 1981. The organization declared itself to be not just a trade union, but a 'citizens' social movement' aiming to bring about broad reforms in the country. In the economic sphere, the Solidarity programme proposed adoption of the

[3] The early stages of the changes in Poland in 1980-1 are described in Adam Bromke, 'Poland's upheaval—an interim report', *The World Today*, June 1981.

[4] *Kultura* (Paris), October 1981, p. 130.

market mechanism and autonomy of individual enterprises. The workers were to participate in the running of factories, with a right to hire and fire the managers.

In the political sphere, the Congress requested popular control over the public media, with Solidarity able to operate its own radio and television stations. It demanded truly independent courts and the removal of the police from Communist control. It also called for free elections at the local and ultimately the national level. In the realm of foreign policy, a proposal for Poland's outright withdrawal from the Warsaw Pact was not adopted, but cutbacks in the country's defence expenditures were proposed. Last but not least, the Congress issued an appeal to the workers in the other Communist states to follow in Solaridity's footsteps by forming free trade unions of their own.

### The party paralysed

There were also some other important differences between the upheaval in 1980–1 and those of the past. In 1956, the changes in Poland coincided with the de-Stalinization campaign in the Soviet Union. As such, they were more acceptable to Moscow. Moreover, the Polish Communist party under Gomulka's leadership quickly restored its control over the country. And in 1970, the upheaval in Poland was short and the transition from Gomulka to Gierek was smooth. Once again, the party survived the crisis basically intact.

In 1980, the situation was different. In Moscow, the Poles were faced with a conservative leadership immune to any change. The Soviet leaders from the start took strong exception to the emergence of Solidarity which they perceived as threatening the Communist system, not only in Poland, but all over Eastern Europe. The emergence of free trade unions touched upon a particularly sensitive aspect of Marxism-Leninism. By refuting the claim of the Communist party to be the sole, authentic spokesman for the working class, it undermined the very legitimacy on which Communist power rests.

In this respect, the Soviet leaders were probably right. Solidarity's attraction throughout Eastern Europe was greatly reduced by the appalling economic conditions which prevailed in Poland in 1980–1. But, as the other East European Communist leaders' sudden interest in the fate of the workers indicated, it was certainly there. Had the Poles succeeded in extricating themselves from the economic crisis, while preserving their freedoms, their example could have had considerable impact in some other Communist states.

The Soviet leaders, however, were reluctant to intervene directly in Poland—as they did in Hungary in 1956 and in Czechoslovakia in 1968. They were well aware that such a step would have serious adverse consequences in their relations with the West. Instead, they tried to intimidate the Poles by conducting a systematic campaign against Solidarity in the public media and by staging a series of military manœuvres both outside and inside Poland—one taking place in the vicinity of Gdansk at the very time when the free trade unions' Congress was meeting there. Yet, Moscow's threatening gestures failed to accomplish their purpose. Indeed, by adding one more grievance to the traditionally strong Polish

resentment against Russia, they may have only contributed to the radicalization in the Solidarity ranks.

The Russians also applied strong pressure on the Polish Communist leaders to restrict the scope of changes in the country and they supported the conservative elements in the Polish party. When, in the spring of 1981, a reformist movement within the Polish United Workers' Party (PUWP) gathered momentum, Moscow sent a letter to Warsaw early in June warning it to preserve the party's Marxist-Leninist character. The extraordinary Congress of the PUWP, which met in July, thus resulted in a stalemate. It failed to provide a clear-cut majority either for the liberals or for the conservatives, or to come out with a programme which would be satisfactory either to the Polish people or to the Soviet Union. Kania was re-elected as First Secretary, but his authority was clearly slipping. Caught between conflicting pressures from its own people and the Soviet Union, the Communist party became virtually paralysed.[5]

The Soviet attacks intensified after the Solidarity Congress. In mid-September, Moscow sent another stiffly worded letter to Warsaw requesting it to take resolute and immediate steps to restrain the free trade unions. Resorting to a thinly veiled threat of military intervention, the Russians underlined that a failure on the part of the Polish leaders to comply with this request would constitute a breach of allied obligations. And the replacement in October of Kania as First Secretary by General Wojciech Jaruzelski (who since February was already occupying the post of Prime Minister) was greeted with approval in Moscow.

By the autumn of 1981 Solidarity and the Communist government were clearly on a collision course, with both sides asserting that they could extend no more concessions. Valiant efforts by a new Primate, Archbishop Jozef Glemp, to avoid a confrontation were of no avail. He did not command the same prestige as his predecessor, Stefan Cardinal Wyszynski, who had played a crucial role in moderating the crises in 1956 and in 1970, and who had died in May 1981. Early in November, Glemp managed to arrange a meeting between himself, Jaruzelski and Walesa, but it produced no concrete results. The negotiations between the free trade unions and the government became stalemated and, ominously, a campaign against Solidarity was mounted in the Communist public media.

In response, Solidarity's position stiffened even more. A former leader of KOR, and later one of the trade union's key advisers, Jacek Kuron, announced plans to form political clubs—independent of Solidarity, but clearly supported by it—aiming at the gradual implementation of democracy in the country. At the meeting of Solidarity's National Commission in Gdansk on 11–12 December, the tenor of the debate was radical. It was proposed that, should the Communist authorities fail to agree to the union's demands by the end of 1981, a referendum as a vote of confidence in the Jaruzelski government would be held.[6]

Meanwhile, preparations for an introduction of martial law were secretly under

[5] See George Kolankiewicz, 'Renewal, reform or retreat: the Polish Communist Party after the Extraordinary Ninth Congress', *The World Today*, October 1981.

[6] For a penetrating analysis of the events leading to the imposition of martial law, see Jan de Weydenthal, 'Poland approaches the countdown', RAD Background Report 2/Poland, *Radio Free Europe* Research, 7 January 1982.

way. No doubt, they were carried out with the full knowledge and support of the Soviet Union—the Commander of the Warsaw Pact forces, Marshal Viktor Kulikov, having been a frequent visitor to the Polish capital. On 4 December, in what was evidently a dress rehearsal for a broader operation, a strike by firefighter cadets in Warsaw was suppressed by a joint police–army force. Into the vacuum created by the party moved the military.

### The army steps in

On 13 December, martial law was introduced and was swiftly executed. Solidarity's activities were suspended and some 6,000 of its leaders (according to official sources) were interned. Scattered workers' strikes were forcibly broken resulting in several hundred casualties, including some dead. The strikers' leaders were promptly tried by the military tribunals and received prison sentences of several years. Civil liberties were suspended and strict censorship was imposed upon all public media.

By the early spring, martial law was still in force although it had been somewhat relaxed. Freedom of movement and communication within the country have been restored. Some 2,000 detainees have been released, but meanwhile many new people have been arrested for infringing the martial law. The mid-winter demonstrations in Gdansk and Poznan were suppressed, and to discourage their repetition a massive display of military armour was staged in the Polish capital on 13 February. Yet, in mid-April there were new demonstrations in Warsaw.

The schools and universities have re-opened, but under tight political supervision. Compulsory instruction in Russian and Marxism-Leninism have been resumed, with the students obliged to attend all the classes. An independent union of students was formally disbanded. The heads of the universities in Poznan and Warsaw were dismissed, but most of the other democratically elected university officials have been permitted to continue in their posts.

Control over the public media has remained quite strict. Most of the newspapers have resumed publication, but under tight censorship and with the most outspoken proponents of reforms on their staffs purged. A Union of Polish Journalists was disbanded and replaced by a new organization which has pledged unconditional support for the military regime. A popular weekly, *Polityka*, however, whose long-time editor is Mieczyslaw Rakowski, now a Deputy Premier in General Jaruzelski's government, has continued to advocate moderate changes in the country.

In his initial announcement of martial law, General Jaruzelski promised that there would be no return to the situation as it was prior to August 1980 and that the process of renewal—although he strongly underlined its socialist character—would continue. The arrests of Edward Gierek and some other former Communist leaders, who were charged with bringing the country to the verge of economic bankruptcy and with personal corruption, were probably aimed at underscoring this point. Jaruzelski reiterated his intentions in a speech to the party's Central Committee on 24 February. He emphasized the need for democratic reforms and pledged the restoration of independent trade unions.

So far, however, the government has not come out with any comprehensive

plan of reform. The only concrete step to cope with the desperate economic situation has been the introduction on 1 February of draconian price increases—amounting in some cases to 300–400 per cent—on most basic goods. No systematic negotiations have been undertaken with Solidarity (Walesa having been kept in isolation near Warsaw and since early June somewhere in south-east Poland) and the organization has remained banned even at the factory level. In some enterprises, it was replaced by *ad hoc* social committees acting as temporary liaison between the workers and the authorities. Various reforms, however, have stayed on the agenda of the Sejm (parliament) and the debates there have been lively. Early in April, the Parliament established a socio-economic council, headed by a respected sociologist, Professor Jan Szczepanski, to look into these matters. At the same time, it passed a new law reaffirming the farmers' right to private ownership of land.

In his appearance before the Central Committee, Jaruzelski did not conceal that the Communist Party had suffered a great loss of credibility. He rejected, however, suggestions that the party should be dissolved and replaced by an altogether new organization. Instead, an extensive purge in the party ranks was undertaken. Since mid-1981, over half a million party members have left, reducing its size to some 2½ million. Most of the people expelled have been liberals, but many conservatives have been purged, too. At the local level, PUWP activities have been revived by establishing so-called citizens' committees of national salvation which have co-operated closely with the military authorities.

The record of the military regime, thus far, has been mixed. On the one hand, it has wiped out not only the freedoms which the Poles won in 1980–1, but even those, more limited, which they customarily enjoyed before Solidarity's rise. Never since the Stalinist years has there been such widespread repression in Poland. On the other hand, however, there has been no return to indiscriminate terror. There have been some police abuses, but generally the use of coercion has been carefully controlled. Moreover, General Jaruzelski has repeatedly stated that, once the situation in the country is normalized, restrictions on freedom will be lifted and the progress of reforms will resume. During his visit to Moscow early in March, while emphasizing Poland's strong commitment to socialism and the alliance with the Soviet Union, he significantly left the door open to at least some domestic reforms.

### Rise of the opposition

The reaction of the Polish people to the imposition of martial law has been one of profound shock and disillusionment. Faced with preponderant power, and the evident readiness on the part of the military authorities to use it, most Poles accepted restrictions on their freedom with resignation. Some soul-searching, and particularly a re-examination of Solidarity's tactics, has also been evident. It was well summed up in a letter by a Solidarity activist smuggled out of one of the internment camps: 'We allowed ourselves to be overcome without any difficulty, literally within hours. We had no intelligence and no instructions [on how to act] in the event of an assault. We kept talking endlessly at our gatherings. We enjoyed

freedom like small children without realizing that we were faced with a mortal danger."[7]

Since December 1981, some segments of Solidarity have gone underground and have continued their activities. There have also been reports of the spontaneous emergence of some other and even more radical resistance groups, especially amongst university and high school students. Soon after the imposition of martial law, clandestine leaflets began to circulate, and as time went on their number continued to grow. In mid-April an underground radio station also went on the air. A militant slogan: 'The winter is theirs, but the spring will be ours'—implying a new national upheaval after the opposition forces regrouped—appeared throughout the country.

Most of the Solidarity leaders who have gone into hiding, however, have been more circumspect. They have called only for passive resistance and even have not precluded the possibility of new negotiations with the Communist government. A former leader of the Warsaw province organization, Zbigniew Bujniak—who, incidentally, before December 1981 was reputed to be a radical—argued that the most important task ahead was the restoration of official, even if restricted, status for Solidarity. He envisages that the true intentions of the Jaruzelski government in this regard should be known by the early summer, and that, meanwhile, the underground should do nothing to prejudice the possibility of a revival of the free trade unions.[8]

One institution which has been spared by martial law has been the Catholic Church. Freedom of religious meetings has been upheld and on Christmas Eve the curfew was explicitly lifted to permit the faithful to attend the midnight masses. Broadcasting of Sunday services on the state radio has been resumed. A few priests have been arrested for violating martial law regulations, but it has certainly not been a signal of a broader campaign against the Church. On the contrary, the lines of communication between the Communist government and the Polish Episcopate, as well as the Vatican, have at all times remained open. The formal contacts were initiated by a meeting between General Jaruzelski and Archbishop Glemp on 9 January as well as by the exchange of letters between the Polish military leader and the Pope.

The Church has adopted a carefully measured middle position. It has left no doubt whatsoever of its disapproval of martial law and it has extended its protection to the detainees. It has come out strongly in favour of the revival of the free trade unions as well as the continuation of the process of renewal in Poland. On many occasions, John Paul II has pointedly spoken warmly of Solidarity. At the same time, however, the bishops have cautioned the Polish people against open resistance which would only result in unnecessary violence and bloodshed. In his Epiphany sermon, Archbishop Glemp stressed that 'it is sometimes more heroic to live for one's country than to die for it.'

At the end of February, following a visit to Rome by senior Polish ecclesiastical

[7] *Biuletyn Informacyjny*, No. 37, Committee in Support of Solidarity, New York, 14 February 1982.

[8] *ibid.*, No. 44, 19 March 1982.

figures, the Episcopate further elaborated its stand. While reiterating their steadfast commitment to the continuation of reforms, the bishops sharpened their criticism of the extremists in the opposition ranks. They called for realism in assessing Poland's geopolitical position and categorically refuted the charges that this meant a surrender of national values. The Church, thus, has stayed on the time-tested course charted by Cardinal Wyszynski, who pressed for peaceful change, but abstained from violent confrontations with the Communist government.[9]

**Bleak prospect ahead**

The crisis in Poland is by no means over. The military regime has succeeded in imposing its hold over the country, but there are no signs that it has won the populace to its side. The initial shock of introducing military rule has largely worn off. People are no longer afraid to criticize the government openly. The opposition has not been eliminated, and it may even be consolidating its strength. No coherent programme has been devised to deal with the catastrophic economic situation. The outcome of the crisis will depend on a myriad of events, political as well as economic, domestic as well as external, which are all closely interdependent— and as such, even more difficult to anticipate.[10]

By the end of the spring of 1982, however, the prospects for Poland do not look good. The ultimate aspirations of the Poles for democracy and independence clearly will not be realized at this time. Indeed, at present there will be no return to the situation which preceded the imposition of martial law, when Solidarity occupied a central place on the Polish political stage. At best, only some of the reforms from 1980–1 will be preserved, and, at worst, even those freedoms which were won in 1970, or even in 1956, could be lost.

For the time being, the possibility of another popular upheaval is unlikely, though it must not be ruled out. It probably would not be instigated by the Solidarity underground, for it is not strong enough. The slogan that the spring would be theirs did not come true. The new demonstrations organized by Solidarity in May and again in mid-June to mark half a year since the imposition of martial law, were only partially successful.

A rebellion, however, could erupt in an entirely spontaneous fashion, especially in response to deteriorating economic conditions, just as did the strikes in the summer of 1980. This would be a sheer act of despair on the part of the Polish people and it would only lead to more bloodshed and repression. For if the military regime were to fail to suppress such a rebellion, and particularly in the event of mutiny by the Polish troops, there surely would be a Warsaw Pact intervention restoring an even harsher Communist rule in Poland.

[9] For the role of the Church, see Hansjakob Stehle, 'Church and Pope in the Polish crisis', *The World Today*, April 1982.

[10] For the Western reaction to the imposition of martial law in Poland, see Hugh MacDonald, 'The Western Alliance and the Polish crisis', *The World Today*, February 1982; and my 'Distant friends: the evolution of the Canada–Poland relationship', in Adam Bromke *et al.*, *Canada's Response to the Polish Crisis* (Toronto, Ontario: Canadian Institute of International Affairs, 1982).

The best the Poles can hope for at present would be a continuation of moderate reforms, similar to those which were introduced in the 1960s by the Kadar regime in Hungary. Such a possibility was explicitly mentioned in a speech to the Polish intellectuals on 23 December by the Deputy Premier, Mieczyslaw Rakowski. Yet, the chances of Poland's adopting the Hungarian model of 'goulash Communism' do not appear to be bright. An integral part of the changes in Hungary was reform of its economic system, resulting in relative prosperity in that country, something which would be impossible to accomplish in Poland in the next few years. The relaxation in Hungary, moreover, was preceded by several years of harsh terror which tired the people and made them receptive to the olive branch ultimately extended to them by Kadar. In contrast, the repressive measures of the Polish military regime have been relatively lenient. They have not as yet instilled respect for the Jaruzelski government, while they have already succeeded in antagonizing the Polish people. In a society as polarized as Poland today, a path towards national reconciliation could prove to be an arduous one.

The alternative model, then, to emerge in Poland would be a 'normalization', similar to that which was evolved by the Husak regime in Czechoslovakia following the suppression of the 'Prague Spring' in 1968. This could most likely take place once the military rule is terminated and the government is handed back—as sooner or later it is bound to be in Poland—to the Communist party. The political dynamic in the country—the cycle repression–resistance–repression—does not play into the hands of the party liberals, but of the conservatives. Under the protective shield of martial law, the latter are already regrouping to gain the upper hand in the future leadership of the PUWP. They appear to be determined to wipe out not only the changes from the Solidarity period, but also those freedoms which the Poles enjoyed before August 1980.

### Glimmer of hope

Yet, perhaps not all is lost in Poland. For it is impossible to rule a modern and proud nation of 36 million people indefinitely by sheer repression. Any rational government would be bound to seek a reconciliation with the people, or it would eventually face another rebellion. At the end of April, some 1,000 internees were freed and, despite new demonstrations, an additional 200 internees were released in mid-June. There are expectations that an even more sweeping amnesty may be declared in the summer. The military government, thus, has continued its relatively lenient course—what many Varsovians call martial law *à la polonaise*.

A key role in Poland could be played by the Catholic Church. In April, the Church warned against fatalism and submitted a blueprint for national accord. It was prepared by an advisory council to the Primate composed of prominent lay Catholics and headed by a highly respected figure, Professor Stanislaw Stomma. The Church's programme stayed within the limits of the existing system, but it assured a continuation of the process of renewal. National reconciliation could be greatly accelerated by a visit to Poland, if it materializes, of John Paul II, who will carry to his native land the message of charity and love. It is significant to observe that the underground Solidarity leaders have accepted the Church's pro-

posals as the basis for negotiations. So there is a glimmer of hope that at least some achievements of Solidarity could still be salvaged.

Even if this is not going to be realized, however, and if in the short run Poland is to be subjugated by brutal force, in the long run, Solidarity's role will remain important. For the upheaval of 1980–1 gave the Poles, and especially the younger generation, a new experience and a new confidence in collective action. It has implanted the democratic ideals in their minds and hearts. The memories of Solidarity, thus, could come to fruition if sooner or later there is another workers' upheaval in Poland.



**Corrigendum:** In the Note of the month 'The Falklands and the law' by J. E. S. Fawcett (*The World Today*, June 1982), p. 203, line 26, for 'China' read 'Chile'.

# Long-range forecasting in the Pentagon

HELENA P. PAGE

## Introduction

THE pitfalls and failures of long-range forecasting are generally well known. It is often difficult to predict the course of development of a single familiar item or institution, and harder still to foresee unprecedented events such as the rise of an independent trade union in Poland. Yet to conceive of the way in which the great number and variety of human and material factors will interact to create a future environment is clearly the most difficult task of all.

Since no forecast is likely to be completely accurate or truly comprehensive, it is legitimate to ask if long-range forecasting is worthwhile. It could even be argued that bad forecasts may be so misleading as to misdirect the energies of a nation or leave it defenceless against unexpected developments. The German General Staff was at least partly responsible for unnecessarily dragging Germany into a war with England in 1914 because it had failed to forecast—and therefore failed to develop plans to deal with—British reaction to an invasion of the Low Countries.

Yet the fact is that general staffs and governments are charged with planning, and planning must be based on some kind of forecast of the future. In the Pentagon today, the need for forecasting is ever more imperative because of the increasing length of time required for the development and acquisition of sophisticated weapons systems and equipment.

Thus, imperfect as they are, forecasts do have utility. The key is to recognize their weaknesses and use them cautiously and flexibly. After all, one could argue that disaster befell Germany in 1914 not because of the inaccuracy of the General Staff's forecasting but because of the younger Moltke's rigid adherence to a plan based on a no longer valid forecast. Had he instead followed the dictum of his uncle, the elder Moltke, that 'no plan survives contact with the enemy', he might have successfully adjusted his plans to the circumstances and avoided conflict with England.

It is with the objective of flexibility in mind that the Pentagon has been experimenting with several new forecasting methodologies. It is searching for a method of forecasting which will enable it to plan 15–20 years ahead but does not tie it to a single vision of the future. The Pentagon is especially interested in avoiding the costs of hypothesizing a 'worst case scenario' for which the United States

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could never afford to be fully prepared. Instead, in two important pilot forecasting efforts, the Pentagon has chosen to base forecasts on four 'alternative worlds'.

The idea was *not* to suggest that any one of the four worlds would in fact evolve; rather it was understood that a combination of the worlds might emerge or that the changing pattern of global conditions might lead from world to world between now and the year 2000. Nor was the idea one of providing a complete range of conceivable future worlds since a strategy to cope with all possible futures would be impossible to finance even if it were possible to develop (which is not likely). The extremes of nuclear holocaust and complete disarmament before the year 2000 were therefore eliminated. Instead, by providing a range of relatively plausible but distinctly different future environments, each posing different threats and calling for different strategies, it was hoped that a more flexible US response capability could be developed.

What follows is a brief description of the four worlds developed by the BDM Corporation while working under contract for the Office of the Joint Chiefs of Staff. These four worlds were subsequently incorporated into the Joint Chiefs of Staff's official long-range forecasting document, the Joint Long-Range Strategic Appraisal of 1981 and, at the request of the US Army Staff, were used as the basis of the US Army's Prototype Army Long-Range Appraisal of the same year. The objective here is to highlight the principal features of these worlds, emphasizing the differences between them.

## Future Worlds

### *World A—muted bi-polarity*

World A, also known as the world of muted bi-polarity, was intended to be a continuation of the present (1979) into the next century; perhaps because the present is difficult to define, it turned out to be the most ambiguous of the four worlds. The principal assumptions shaping the world were that a strategic balance would be maintained, Nato would be our principal area of political/military concern and the Soviet Union our principal adversary. However, military tensions would be low-key and economic concerns would dominate international affairs.

The economic situation in World A was characterized by stagflation, low rates of economic growth in the industrial world and decreasing per capita income among the world's poorest nations. It was assumed that the oil situation in World A would be one of chronic shortage and escalating prices but not one of actual 'crisis'.

In addition to these fundamental aspects, the world of muted bi-polarity would be characterized by 'muted' conflicts in both political and economic terms. Nuclear proliferation would continue creating conflicts between old and aspiring nuclear powers and between emerging powers of the Third World. The alliance systems in Europe, while intact, were pictured as lacking in cohesion and suffering from internal frictions. Equally significant, the hostility between the advanced industrial nations and the developing countries would continue causing an undertone of tension between North and South. Finally, the antagonism be-

tween the Soviet Union and China would continue unabated, yet the Chinese would maintain distrust of and distance from the United States.

Specific economic features of World A would include traditional trade patterns. That is, Western nations were portrayed as trading primarily among themselves for finished goods and purchasing raw materials largely from the South; the Eastern Bloc was pictured trading within itself for the most part while the Third World nations sold raw materials for finished goods, predominantly from the West except in the case of arms.

The diffusion of sophisticated conventional armaments throughout the world, spurred by competition between arms suppliers and inhibited only by the Third World's limited capacity to pay, would be another feature of this world. Nations such as Saudi Arabia and Iraq would possess the best weapons systems (oil) money could buy.

The transfer of other types of technology would be restricted. The unrelenting suspicion between East and West was assumed to dampen efforts to sell technology to the East, while the sluggish economic situation was assumed to stir protectionist instincts and therefore discourage the transfer of technology to the South.

Another aspect of World A would be that dismal economic conditions in the world's poor nations would cause domestic instability. These internal difficulties were expected to create opportunities for Soviet intervention, but not to result in any major or irreversible victories for Soviet policy as a result of Moscow's inability to exploit them successfully. The economic conditions in the Less Developed Countries (LDCs) were also expected to result in pressure, particularly within international organizations, for a New International Economic Order. However, it was assumed that in World A no effective coalition of Third World nations would be formed; competition among Third World nations for bi-lateral trade preferences, loans and aid would make collective action against the industrial nations practically impossible. The only exception to this pattern in World A would be OPEC, which was pictured as thriving on the projected oil shortages.

In short, World A offers the prospect of a world of low but constant and diverse tensions. It is a world where two ageing super-powers are slowly losing their prestige and their power, but where no new challengers have emerged.

*World B—super-power conflict*

World B, in contrast, was conceived as a 'Cold War' environment. In this world, the two super-powers were not only presumed to have increased their antagonism towards one another but also to have increased their influence over their allies and throughout the world. The East–West conflict dominates and shapes virtually all other characteristics of the environment.

Because of the global nature of the conflict, the importance of alliance systems would be greatly expanded in this world. New alliance systems which, it was assumed, would be aggressively forged by the two super-powers throughout the globe would supplement the alliances existing at present. The concept of 'non-aligned' nations would generally disappear because of super-power intolerance

for the concept. Nations, in short, would not be left alone to pursue independent foreign policies, but would be pressured into one camp or the other. Within the alliance systems, furthermore, the voice of the junior partners would be practically insignificant. The super-powers would strictly enforce discipline within their respective blocs to ensure that no client-state dragged them into a super-power conflict for which they were unprepared.

One area where super-power authority was assumed to be particularly potent was the area of nuclear proliferation. In World B the super-powers would have the power to restrict access to nuclear technology and/or fuels and would use this power to maintain their own position. Only the most reliable client-states would be allowed access to nuclear weapons and even these weapons would remain in super-power control. Yet the very nature of the high-tension environment implied that an overall increase in super-power-controlled and sponsored nuclear proliferation would also be a principal feature of World B. SALT (strategic arms limitation talks) would be dead.

The diffusion of sophisticated conventional arms would also increase in World B. Such arms would be sold or provided to allies both to increase each super-power's own stature and strength, and to equip surrogates in client-state wars.

Trade patterns in World B would correspond to alliance patterns. Because trade would exist almost exclusively within blocs, however, competition between super-powers for the control of key raw materials producers would be intense—and a principal source of conflict. Oil producers would be particularly valuable prizes, of course, and the alignment of individual OPEC nations on opposite sides of the East–West conflict would effectively destroy that organization. The leverage of raw materials producers would generally decline once they joined one or the other alliance system and became locked into the trade and security arrangements. Less developed nations within the alliance would, however, benefit from the more open transfer of technology within blocs. The transfer of technology along an East–West axis would cease altogether.

For advanced industrial actions, therefore, the increased access to raw materials and energy and the large-scale defence spending would spur economic growth. For key developing nations with valuable resources, geo-political positions or strategic importance, the technology transfers and other trade/financial incentives used to win and maintain their adherence to the bloc would provide the basis for economic growth. These LDCs would probably use the threat of defection to the opposing camp to extract very substantial benefits from their super-power patrons. Yet the bulk of the LDCs, lacking either strategic resources or geo-political significance, could expect little economic progress in World B. These nations could neither demand super-power favours nor effectively play off the super-powers against each other. Even collectively they would not wield sufficient power to win concessions from the super-powers. As a result, their general economic and political position would decline in comparison with today.

With OPEC fractured, key LDCs selling their loyalty to the highest bidder, and the lesser LDCs clinging to the bloc from which they receive aid, the North–South conflict would fade away to insignificance. Furthermore, no truly independent

foci of power would emerge in this world with the exception of the People's Re-public of China. The PRC's alignment with either bloc would tip the balance against the remaining super-power. It was therefore assumed that neither super-power would tolerate such a development and that any indication of PRC alignment would provoke a pre-emptive third world war by the other super-power.

*World C—super-power co-operation*

World C or the world of super-power co-operation assumed success for the policy of détente. In this world, not only were tensions between the two super-powers presumed to have declined, but co-operation in political and economic affairs between the super-powers was hypothesized. The other characteristics of this world were also shaped by this key factor.

Because the reduced tensions between the super-powers would reduce the need for security arrangements such as Nato and the Warsaw Pact Organization, it was assumed that in World C interest in the traditional alliances spawned by East–West hostility would diminish. These alliances, while not actually dissolving, would gradually become moribund. Meanwhile, within the member countries including the US and the USSR, emphasis would shift away from military and security concerns, and the allocation of resources to defence would decline. None the less complete disarmament was not part of this world and both super-powers would retain some suspicions about the intentions of the other. Economic pursuits, however, would increasingly attract interest, resources and policy priority.

The principal feature of economic affairs in World C would be the radical re-structuring of trade patterns occasioned by co-operation between the super-powers. It was assumed that trade and financial barriers to East–West trade would be greatly reduced if not altogether abolished. The markets and, more important the raw materials of the East would thus become available to the advanced industrial nations of the West on an unprecedented scale. The technology of the West would, in turn, become more readily available to the East. The generally higher technological base, the more developed infrastructures and relative geographic proximity—especially in the case of Europe—would all tend to give Eastern bloc nations an economic advantage over competitors in the less developed nations. It was therefore presumed that World C would be characterized by massive trade between East and West at the expense of trade with the 'South'.

This realignment of trade along the East–West axis would be likely to have serious, in some cases disastrous, consequences for developing nations. Even OPEC nations would be affected, as it is widely believed that Western technology could greatly expand Soviet and Chinese oil production and distribution capabilities; Soviet natural gas reserves are also immense and would be eagerly consumed in the West in a World C environment, thereby replacing some OPEC oil imports. Clearly, however, it would be the LDCs with the least essential raw materials for which markets are limited, or those competing most directly with Eastern suppliers who would suffer most. In some cases, these LDCs would find themselves excluded from markets; in nearly all cases, LDCs would be faced with declining trade revenues.

Yet the prospects of aid for LDCs in World C would not be much brighter. The super-powers would not feel compelled to compete for the good will of key LDCs as they did in World B. Nor would LDC coalitions such as OPEC have the power to wrench concessions from the super-powers and their affluent allies. Aid, in short, would become a function of generosity—never a very reliable source of funds.

LDCs in World C would also be affected by the political co-operation of the super-powers. Because of the end to super-power competition, the utility of maintaining well-armed surrogate armies around the globe would be eliminated and the sale and distribution of sophisticated arms to developing nations would be greatly reduced. Furthermore, LDCs engaged in disputes with their neighbours would find it very difficult to win super-power support since the super-powers would be interested in suppressing any conflict that might upset the mutually beneficial status quo. Thus, in World C the prospect of joint US–Soviet peace-keeping forces dispatched to trouble spots around the world would become a realistic prospect.

Needless to say, few LDCs would be content with the status quo in World C. Pressure for both economic and political changes to the international system would be intense and growing. Yet the combined military and economic might of the super-powers and their economically advanced allies would leave the LDCs little leverage and the chances of LDC success would be insignificant. The presumed result of this situation was a serious increase in political terrorism directed against leaders and institutions of both East and West. These tactics of frustration and despair would be an increasingly important feature of World C, and might gradually come to threaten the stability of the entire world.

*World D—devolution of power*

The principal characteristic attributed to World D was the devolution of power away from the super-powers towards emerging regional powers. In World D, it was assumed that the super-powers would possess declining influence and power not as a result of an actual decline in their own capabilities but rather as a result of a decline in their capabilities *relative* to those of other nations or coalitions of nations. In other words, in World D it was hypothesized that, for example, the PRC and the EEC would increase their power and influence in the world independent of either super-power, and increasingly represent a challenge to the authority of the two super-powers.

In World D, traditional alliances were pictured as disintegrating. West European nations, including Nato members, would increasingly pursue policies unco-ordinated with the United States, and increasingly place self-interest or European concerns above Atlantic alliance cohesion. Meanwhile, the declining ability and/or willingness of the Soviet Union to risk open conflict in Europe would encourage East-European nations to move out from the Soviet shadow, and develop more independent attitudes and policies, growing in this process increasingly nationalistic. Yet, despite the weakening of the alliance systems, there would be no accompanying reduction in tension between the super-powers themselves. Mutual hostility and suspicion, and unfriendly competition would continue in an atmo-

sphere of insecurity produced by the super-powers' awareness of their ow declining power.

In contrast to World A, the super-powers' decline in World D was assumed t be accompanied by the emergence of new foci of power. One such emerging pow would, of course, be China. As Japan increasingly shakes itself loose of its Amer can ties, the PRC and Japan would probably draw closer together. A PRC–Japa axis in which the human and raw material resources of China are developed wit the aid of Japanese technological and managerial expertise would be a real poss bility in World D and would constitute a serious rival to existing super-power Similarly, a Europe which acted in unison or at least co-operatively, perhap within an expanded EEC framework, would rapidly become a major power i World D. In other regions of the world, key nations would be gaining regiona though not yet global, power. Brazil, Mexico and Nigeria would be examples c such regional powers whose strength, while not yet great enough to challenge th super-powers, would be significant enough to command consideration. The voices in international affairs would thus become increasingly influential.

In addition to declining political power, and in fact contributing to that declin the super-powers would be experiencing economic decline in World D. Again, th decline would not be absolute but relative and reflect the increasing economi strength and independence of other nations, especially the European nation Japan, China and key developing nations. As the economies in both Eastern an Western Europe expand, trade links between the two halves of Europe woul become increasingly intense and comprehensive. For China and Japan, trade link would probably be so beneficial as to be the principal fuel spurring political co operation. For key LDCs, economic growth rates have long exceeded the economi growth rates in the developed world, thereby pointing to a gradual closing of th gap between them and the advanced industrial nations. In World D, nations suc as Brazil, Korea and Taiwan, whose economic growth rates have been founde on diversified economics including manufacturing, would increasingly captur markets in the advanced developed nations. Altogether, these nations woul experience the most favourable economic situation in World D.

Meanwhile, raw materials producers, following OPEC's example, would gai increasing leverage vis-à-vis the developed nations by forming cartels whereve possible. OPEC itself would be strengthened. These coalitions of Third Worl nations, encouraged and led by the emerging regional powers, would challeng the super-power-dominated status quo with increasing vigour and success. Pres sure for a 'New International Economic Order' would gain momentum. Thus th North–South conflict would come to equal, if not overshadow, the East–Wes conflict.

In short, World D would present the United States with an environment o uncertainty and insecurity. The Soviet Union would remain an undiminishe threat, still capable of and prepared to conduct nuclear war, yet the United State would be dependent on increasingly unreliable allies. These allies would them selves be posing challenges to US interests, particularly economic interests around the world. New powers in Latin America, Africa and Asia would also b

competing economically with the United States and replacing it politically in their own spheres of influence. Access to energy and raw materials would be restricted and controlled by producers. Nuclear proliferation would proceed practically without controls. The chances of conflict would be high, as emerging powers would seek to put down rivals, would come into conflict with one another, or would take on established powers to assert their new status. Thus, World D would be the most dangerous of the four worlds and incidentally the most difficult for which to plan.

### Conclusions

Obviously, there is a great deal in each of the worlds with which one can take issue. No one is ever completely convinced of the plausibility of all four worlds. Everyone has ways in which they would like to tinker with and modify one or another or all four of the worlds. Yet taken as hypothetical scenarios, they still evoked some interesting responses within the Pentagon.

Not too surprisingly, the Pentagon tended to be very sceptical of World C (Super-power Co-operation). As a rule, military readers did not believe World C would ever develop.

World B, the Cold War environment, was naturally more readily believed because it seemed familiar. Pressure to give World B more weight and attention was encountered from some quarters. With respect to World A, there seemed to be a widespread feeling that, while credible in itself, the world would not exist in 2000 because the status quo of 1979 could and would not be allowed to drift along the same course for long.

World D, the World of Power Devolution, was unexpectedly taken most seriously. Perhaps it was the realization of our many vulnerabilities in this world, a sense that while we would manage well enough in World B (Super-power Competition), we would not be able to cope with World D adequately. In this sense, World D could be said to represent the 'worst case scenario', and military attention to it may have been a hangover from worst-case-scenario planning methods. Furthermore, World D seemed to justify recent efforts to develop new 'contingency' forces as embodied in the Rapid Deployment Force concept. Whatever the reason, however, World D has now been adopted virtually wholesale as the principal basis for long-range planning in the US Army.

The effect of long-range forecasting upon actual programming and procurement is yet another question. The daily pressures to meet existing requirements, to overcome last year's deficiencies, to improve the quality of life for our soldiers today and to make military life more attractive to potential recruits—these pressures surely have a direct impact on the way our armed forces plan and budget. The impact of institutional inertia, of 'empire-building' in the Pentagon, of 'politics' in Congress, of 'gold-plating' and the dazzle of new technology—these, too, have undue influence on the places and ways money is spent in the US defence establishment. But even if the effect of long-range forecasting is relatively minor beside these other factors, it can surely not be abandoned altogether, and the use of multiple rather than single projections seems a step in the direction of more realistic and flexible forecasting.

# Central America: a potential Vietnam?

ROBERT HARVEY

THE Falklands conflict has helped to focus public attention upon Latin America, a continent which has long seemed peripheral to the main East–West power struggle being waged in South-East Asia, South-West Asia and the Middle East, and in the former European colonies of Africa. Yet, over the past 20 years or so, the continent has quietly undergone a gigantic and unsettling economic and social transformation that could, if mastered, allow it to become one of the engines of world prosperity or could, if untamed, cause the region to lapse into chaos.

In one part of Latin America—Central America—inner tensions are already ripping societies apart. Long after peace returns between Britain and Argentina, Central America is likely to remain in eruption, absorbing an increasing share of US foreign policy attention. The lack of familiarity most observers display towards the region has helped events there to be seen through distorting glasses. On the one hand, there is what might be called the traditional American view of the region: endemically unstable, always a prey to Communist, anti-American penetration, best governed by tough, pro-American army chiefs keeping a lid on domestic social tensions. According to this view, the methods of these rulers are regrettable, but they may be necessary.

The Reagan Administration, on coming to office in January 1981, shared that approach. At first, its policy-makers considered that the upheaval in Central America could have only one origin: a decision by the Soviet Union, through the medium of its Cuban surrogate, to light the fuse of insurrection in the region by supplying weapons, training and advisers to Marxist-Leninist guerrilla movements fighting until then hopeless battles in the hills of El Salvador and Guatemala. The Reagan Administration's initial instinct was to make an example of El Salvador as a country in which a decisive stance by the United States would frighten off outside-supported revolutionary forces, which had been allowed to succeed in Nicaragua by the weakness and indecision of the Carter Administration Instead, when the spotlight was turned on to El Salvador, the Reagan Administration discovered, first, that the region's problems were much more complex and long-term than the simple Castroite penetration theory allowed and, second, that the sheer savagery of the conflict threatened to overwhelm the American case for involvement in the region.

The savagery is likely to be crucial to the debate about America's future involvement in Central America. Since the civil war in Nicaragua began in 1978, well over 90,000 people have been killed for political reasons in the region. Of those, about half died in Nicaragua, the overwhelming majority at the hands of the late President Somoza's national guard. In El Salvador, around 33,000 people have died

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since the war there began in earnest in late 1979. Again, at least two-thirds have been the victims of the Salvadorean army or of right-wing death squads. In Guatemala, around 12,000 have died over the past three years, once again very largely at the hands of the extreme Right.

Most of the victims have been non-combatants: the extreme Right's aim is usually to terrorize villagers in country areas into withdrawing their support from the guerrillas. Because Central American armies are generally ineffective at catching guerrillas, terror has been the main tactic. The killing permeates the atmosphere and moral climate of those countries. When the present writer was in Guatemala last March, the daily political death toll never fell below 20 and was often as high as 50 or 60. It is true that the guerrillas sometimes use methods every bit as ruthless as the security forces. Yet the overwhelming majority of the killings are carried out by America's apparent allies within Central America's armed forces.

**Simplistic comparison**

With that background, it is hardly surprising that an equally simplistic view of the conflict has been adopted by the Administration's opponents. American liberalism, which has wandered somewhat aimlessly in search of a cause since Vietnam, has reassembled around the 'new Vietnam' in Central America. The surface parallels are strong: once again, it seems that America is backing a repulsive bunch of local oppressors against guerrillas fighting on behalf of a downtrodden people. Once again, American arms, money, prestige, honour and maybe even lives seem to be engaged on behalf of a losing minority cause. Once again, America seems to have embarked upon a substantial commitment without having a clear idea of its objectives or of the depth to which it wants to pursue that commitment. Once again, America is converting a local conflict into a round in the East–West power contest, thus, it is said, forcing nationalist guerrillas to look for support from the Soviet Union and Cuba. Once again, an American administration seems to be losing the battle for domestic public opinion. Once again, it is wheeling out a discredited domino theory. Once again, in short, America has backed the wrong side.

The reality is less simple. There are four major ways in which the Vietnam analogy does not apply in Central America. First, the origins of the Central American conflict make it very difficult to compare with Vietnam. Second, the extent to which it represents a real threat to American interests is different. Third, the scale of American involvement is wholly disproportionate. Fourth, the real human issues involved are not to be compared.

Starting with the origins, the stereotype picture of Central America is of a region dominated by traditionalist landowners whose interests are defended by bloodthirsty local armies at the expense of abjectly poor landless peasants. The poverty, inequality and human misery are real enough. The stereotype fails to explain, however, how or why an explosion should have taken place just now. The answer lies in the staggering progress, in relative terms, which the region has undergone over the past 30 years.

The real value of Central America's traditional exports jumped 18 times between

1950 and 1980. In 1950, most Central American countries had been one-crop (bananas or coffee) exporting economies. By 1980, the share of exports taken by the average country's main commodity had fallen by around half, from 70 per cent to 36 per cent. Most of the wealth coming into these societies accrued through new commodity exports. But industrial growth played its part: industry grew from an average share of 11 per cent in Central American GDP to 18 per cent in 1980.

As money came in, so social structures changed. The old coffee oligarchies, for example, were shunted aside by new fortunes in cotton, cattle and industry. The old wealth did not get on with the new: the new men's methods were often more ruthless than those of the old oligarchy. But the new middle class also contained its own quota of social reformers, appalled by the inequality around them and determined to bring about change. This new educated class, which had materialized in the space of a generation, had two avenues open to it: either to seek to modify the slight traditions of republican representative government of these countries into genuine democracy, or to work for the overthrow of the system altogether.

Thus, the new middle class split three ways in most Central American countries. Part of it continued ruthlessly to support the system, using methods shunned even by the old oligarchs: that is, the part represented by 'New Right' leaders like the National Liberation Movement's Mario Sandoval Alarcon in Guatemala and Arena's Roberto d'Aubuisson in El Salvador. Part of it sought peaceful change, largely by working through the Christian Democratic and Social Democratic parties of the region, most of which attracted considerable popular followings. These moderates are represented by men like Vinicio Cerezo in Guatemala and Napoleon Duarte in El Salvador. And part chose the path of violent revolution. All challenged the hold of the old oligarchy.

Added to this, there was a dramatic change in the role of the local armed forces. Most of these, from being the paid hirelings of the old landowners, only became professional forces under the impact of American training around the middle of this century. This was true, for example, of the Nicaraguan and Panamanian national guards as well as the Salvadorean, Guatemalan and Honduran armies. As they became professionalized, the armies began to detach themselves from the old oligarchy and became suborned by the new wealth, or acquired interests and a life of their own. Lust for power very often had less to do with the decision by Central American armies to move to centre stage than the opportunity that government provided for officers of peasant background to acquire wealth.

In the space of a generation, then, Central America was transformed from a sleepy, if cruel, plantation existence to a society where four significant new social forces were competing for wealth and power. The forces could be contained as long as Central America was growing by an average of around 8 per cent during the 1960s. After the jump in oil prices and the slump in world demand in the 1970s had slowed average growth down to between 1 per cent and 3 per cent, the social strains ripped these societies apart. Conflict was translated into massacre by the awful fact that in much of Central America a frontier-style *macho* individualism dictates that most people still settle disputes with a gun.

And guns there were in abundance, not just the traditional handguns any self-respecting non-Indian Central American male carries, but Soviet- and Cuban-supplied weapons. It is not necessary to subscribe to the Reagan Administration's first view that the Central American war was purely the product of Soviet-inspired mischief-making to accept that training and arms from Cuba have greatly enhanced guerrilla capabilities in the region.

**Defining America's Interest**

To what extent is this largely locally generated upheaval a threat to American interests? What, indeed, are those interests? They can be listed briefly. First, around three-quarters of America's imported oil, half of its help to Western Europe in the event of a war there, and more than half of America's commodity imports pass through the Panama Canal and the Caribbean area. Second, there is the threat posed to Mexico, which supplies around a third of American oil imports and whose oil reserves are a gigantic strategic reserve for the Western Hemisphere. There are also the strategic implications of allowing the Soviet Union a foothold in Central America: Mr Brezhnev's recent veiled threat to station Soviet missiles in Cuba was a reminder of those implications. Fourth, and possibly most dangerous of all, is the side effect of successful Marxist-Leninist revolution in Central America. Revolution could spread to the much more highly developed, but highly unequal societies of South America, the United States's main commodity supplier.

Those are the stakes, and it was hard to disagree with the former Secretary of State, Mr Alexander Haig, when he claimed that the threat to US security was much more obvious in Central America than it was in Vietnam, on the other side of the Pacific. It is equally hard to argue that the much maligned domino theory does not apply in Central America. The entirely unexpected success of Nicaragua's revolution brought hope to the hearts of small embattled guerrilla movements elsewhere in Central America and gave them a safe haven from which to operate and obtain arms. Disjointed guerrilla activity in El Salvador became serious in the winter of 1979, after the Sandinist victory in Nicaragua. By the following year, the Guatemalan guerrilla war was expanding; small guerrilla movements are now springing up in Costa Rica and Honduras. Only Panama and Mexico are untouched, but Mexico is more worried than it cares to admit about the trend in Central America. Its economy this year came down to earth with a bump, and severe social strains could follow.

The Central American war has already spread along the isthmus. Moreover, there is little comfort for the United States in the nature of the guerrilla movements in the region. The Sandinist movement in Nicaragua, alone amongst them, incorporated large numbers of non-Marxists; now, sadly, they are being purged. Both in El Salvador and Guatemala, the guerrillas are various shades of Marxist-Leninist or Trotskyist Left, leavened only by civilian front organizations which have secured the support of some Social Democrats and Christian Democrats.

The challenge to American interests is hardly one that the United States can realistically ignore. If the stakes are greater than in Vietnam, however, the degree of American commitment demanded is far smaller. Where in South Vietnam the

United States was taking on an opponent with around 200,000 men lavishly equipped by both China and Russia, in El Salvador the guerrilla forces number around 6,000 and in Guatemala slightly fewer. The local armies are also small. In El Salvador the army has around 23,000 men, in Guatemala around 18,000. The fighting is on a tiny scale compared to Vietnam. The Salvadorean army's most effective counter-insurgency equipment, for example, consists of its helicopters—of which it has no more than 14. American aid has been on a correspondingly small scale. The total US commitment in Central America today, excluding the Panama Canal zone, is around 200 military trainers. By way of comparison, in Vietnam, under President Kennedy, before the American commitment was considered irrevocable by most, there were 16,000 American military trainers—rising, of course, to 530,000 at the height of the commitment. Total military aid to El Salvador this year will not exceed $200 m.—the cost of barely a couple of days' fighting in Vietnam.

However, the lesson of Vietnam was surely that America must look carefully at each stage in the escalation of a commitment, to see whether the price is justified. The lesson of Vietnam can hardly be that America should make no military commitment, however small, anywhere in the Third World to defend its interests for fear that the commitment may escalate. In terms of scale, Central America and Vietnam simply cannot be compared. What we actually see in Central America is a tiny-scale US commitment in defence of much more significant interests than those at stake in Vietnam against a guerrilla opposition that unfortunately is already all too committed to Soviet and Cuban interests. There remains the question of whether the United States should be standing cheek-by-jowl with murderous local soldiers.

United States policy over the last troubled few years in El Salvador and Guatemala has been to seek to coax a political centre into being between extreme Right and extreme Left—the centre represented by the Christian Democrats in both countries. Thus America ceased exporting arms to Guatemala in 1977 because of its government's persecution of the centre. In El Salvador, the United States forced the army to form an alliance with the Christian Democrats, which precariously ruled the country for two and a half years up to last May.

It is easy to dismiss the Christian Democrats as a figleaf of the extreme Right, and to point to the failure of American attempts to control army brutality, at least in El Salvador, up to now. The American attempt to find a middle way was dealt a shattering blow in El Salvador's election on 28 March, which showed that the extreme Right, led by Major d'Aubuisson, was more popular than the Christian Democratic party. Yet, what these elections also showed was that maybe one-third of El Salvador's population supported Major d'Aubuisson's call for total war to be waged against the guerrillas and the political centre. The unpalatable fact is that the extreme Right has a great deal of popular support, maybe more so than the guerrillas, in both El Salvador and Guatemala.

The United States thus finds itself in the position not just of helping local armies to defeat the guerrillas, but of holding back a large and bloodthirsty Right from going on the rampage. American policy may have helped to bring about the coup

in Guatemala last March, which may have resulted in an improvement in human rights there. In El Salvador, the only thing restraining Major d'Aubuisson's followers from starting a bloodbath is a threat by the United States to deny the country military and economic aid. The first effect of an American withdrawal from El Salvador would be a horrific massacre of the Centre and Left followed by a long-drawn out civil war which either extreme might win. America has thus ended up with a humanitarian obligation to stay and seek to hold the ring in the same way, on a very different scale, that Britain has in Northern Ireland.

But that obligation disappears the moment it becomes apparent that the United States is exercising no significant restraint upon the actions of the Central American Right. If human rights start to deteriorate again in Guatemala, or if in El Salvador the activities of the death squads increase, the United States would be well advised to cut its losses and run. If open civil war cannot be avoided, better for America to be out of it. The United States should then seek to defend its interests behind the borders of civilian-ruled, civilized Mexico and Costa Rica.

Western Europe is only just beginning to sense the dimension of the Central American problem. At best, moderation imposed by the United States upon its unattractive friends may keep the fire in the isthmus isolated and small-scale. At worst, the trouble could escalate into a large and permanent diversion of American resources and attention away from the European theatre. And if the United States commits the mistake of backing killers without extracting the necessary commitments from them to reform themselves, America's image abroad could be muddied a deeper shade of black than Russia's image in Afghanistan and Poland. America has huge interests at stake in Central America; but its greatest interests are in Western Europe and in its own good name.

# Afrikanerdom in disarray

JAMES BARBER

THE unbelievable has happened in South Africa—the National Party has split apart. Those who have left to form the Conservative Party (CP) are not a small splinter group, but a powerful section led by Dr Treurnicht, the ousted Transvaal leader. He has taken 17 MPs with him, is riding a groundswell of popular Afrikaner support, especially in the Transvaal, and has the blessing of many of the party's old guard, including John Vorster, the former Prime Minister.

There was a much smaller break in 1969 when Dr Albert Hertzog resigned his Cabinet post and party membership to form the Herstige Nasionale Party (HNP). Explaining his decision, Hertzog said: 'The focal point around which everything revolves in South Africa is that we as a White people, the civilized people, the knowledgeable people, dare to rule as a minority.' He argued that, in defending this position, full trust could only be placed in the Afrikaners, whose Calvinist traditions ensured their conviction and determination to stand for their rights, whereas the resolve of the English-speaking Whites had been undermined by their liberalism.[1] Hertzog thus identified the two main ingredients of the 'right-wing' challenge to the South African government—opposition to relaxation of racial segregation, and the commitment to continued Afrikaner domination of the government. Yet personally he made little progress. John Vorster, who was Prime Minister at the time of Hertzog's break, called a general election to crush the new party. The HNP gained no seats and only 3 per cent of the votes cast, but Vorster had been reminded of the danger facing all National Party leaders of being outflanked on 'the right'; and it was said at the time that many who had stayed in the party had considerable sympathy with Hertzog's views.

Vorster's success in dealing with the HNP challenge was confirmed by the 1974 and 1977 elections, when the HNP again failed to gain any seats and retained only 3 per cent of the vote,[2] while the National Party (after the 1977 election) held 135 of the 165 elected seats. Yet storms lay ahead. The government's new constitutional proposals, based on the recommendations of a committee chaired by P. W. Botha, then Minister of Defence, made little progress. The proposals were confined to Whites, Coloureds and Indians, on the assumption that the future of the Black Africans was being accommodated through the separate Homelands, but there was suspicion and confusion about their implications among the Whites, while most Coloured and Indian leaders rejected them because they were premised on

[1] South Africa *House of Assembly* debates, 14 April 1969, Cols. 3879–83.
[2] See Merle Lipton, 'South Africa: authoritarian reform?', *The World Today*, June 1974; and Anthony Delius, 'South African alternatives', *ibid.*, January 1978.

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continual racial segregation and the total exclusion of the Black Africans. The most significant outcome of the 1977 proposals was the replacement of the all-White Senate by a President's Council, composed of Whites, Coloureds and Indians, and charged with making recommendations for future constitutional developments.

**Muldergate and the party leadership**

If Vorster had any enthusiasm for continued reform—and there must be doubt that he did—it was buried beneath the Muldergate Scandal, news of which emerged during 1978.[3] This scandal, which increasingly absorbed the government's energies, involved the misuse of secret funds by the Department of Information. It rocked White South Africa, undermining the Afrikaner's self-image of puritan righteousness and *volk* unity by exposing corruption, incompetence and dissension. These internal divisions were compounded in September 1978, when Vorster announced that he was resigning the Premiership to become State President and so opened up a bitter struggle for the party leadership. The main contestants were Dr Connie Mulder, the Transvaal leader, who, as Minister of Information, gave his name to the scandal, and P. W. Botha, the Minister of Defence, who was the leader of the Cape Province. Despite the revelations about the irregularities in Mulder's department, the voting was close and went to a second ballot. On the first, P. W. Botha had 78 votes to Mulder's 72, with 22 going to 'Pik' Botha. When 'Pik' was excluded from the second round, P. W. won 98 to 74. Not long after that contest, Mulder was forced to resign from the government and the party, and he was soon followed by Vorster, who resigned the State Presidency when his part in the scandal became clear.

The divisions have not healed. It is striking that despite the National Party's traditional deference to its leader, Botha has been unable to rally the whole party behind him. Party loyalty had begun to show signs of wear under Vorster, but the full impact of the change has come under Botha. There are several reasons for this—including the scandals and the clash of personalities already mentioned—but overriding these is the absence of agreement about where the party and government are going. The certainty that characterized the days of Dr Hendrik Verwoerd who led the party towards the vision of grand apartheid has disappeared as it has become clear that the goal is impractical. The old confident assertions of building a new society based on agreed principles has given way to a government which speaks of a journey to an unknown destination. With such uncertainty, faction has flourished. Botha himself, having become identified with the reforming wing of the party, found himself constantly challenged by a group which formed around Dr Treurnicht, who had succeeded Mulder as the Transvaal leader. While Botha wanted to introduce further mild reform along the lines of the 1977 proposals, Treurnicht was committed to the retention of strict apartheid. He said: 'If petty apartheid is completely eliminated, big apartheid becomes stupid, superfluous and unnecessary. . . You can't make apartheid big if you kill it little by little.'[4]

[3] See Mervyn Rees and Chris Day, *Muldergate* (London: Macmillan, 1980).
[4] *Sunday Express* (Johannesburg), 24 April 1977.

**The 1981 election**

Although Treurnicht led the largest of the provinces, the Transvaal, with the greatest number of National Party MPs, Botha at first kept him out of the Cabinet and then gave him the relatively junior post of Minister of State Administration. But despite this obvious attempt to keep Treurnicht down, his place in the party seemed to be strengthened by the outcome of the election of April 1981.[5] Treurnicht's warning that the National Party would not only lose its way but its electoral support if it deviated from strict apartheid, appeared to be confirmed when, for the first time since coming to power in 1948, the party suffered an electoral setback. Although there was never a real danger of the government losing its massive parliamentary majority—indeed, it retained 131 of the 165 elected seats—it lost ground in terms of votes to opponents on both flanks. The 'liberal' Progressive Party won 9 additional seats to bring their total to 26, but, more important for the internal quarrel in the National Party, was the dramatic increase in HNP support from 34,161 votes in 1977 to 191,249 in 1981 (or more than 12 per cent of the votes cast). Even then, the HNP failed to gain any seats, but the situation was worrying, as Piet Cillie, a Botha supporter and a former editor of *Die Burger*, admitted. Referring to the HNP, he said: 'This is a party that had no press support at all, and no real organization'; the situation was 'not catastrophic yet' but 'very ominous'.[6] That was confirmed when the election results were examined in greater detail, showing that the HNP had won 20 per cent of the total Transvaal vote, and 32 per cent on the *platteland*.[7]

There was a touch of irony in Treurnicht's personal position at the 1981 election when he faced his own right-wing challenge from Jaap Marais, who had succeeded Hertzog as HNP leader and fought Treurnicht's constituency, reducing the majority from 4,661 to 1,461. However, within the party it seemed that his position would be strengthened and that Botha would abandon plans for reform in search of party unity. Late in 1981, it appeared that these predictions were well founded as the government rejected proposals from the President's Council to return District Six in Cape Town to the Coloureds and Pagewood in Johannesburg to the Indians, and refused to give Africans permanent property rights in urban areas. Moreover, Botha appeared once again to have drawn back from a confrontation with Treurnicht when he did not challenge a statement from the Transvaal leader that a single political structure for Whites, Coloureds and Indians would be 'unrealistic and stupid'.[8]

**Confrontation over 'power sharing'**

However, major confrontation came over 'power sharing'. The meaning and implications of that concept are matters of dispute and uncertainty but, in the broadest terms, while Botha and his colleagues are prepared to accept a government structure in which Whites, Coloureds and Indians participate, and where in

[5] See Christopher Coker, 'The South African elections and neo-apartheid', *The World Today*, June 1981; and J. E. Spence, 'South Africa: reform versus reaction', *ibid.*, December 1981.

[6] *Financial Times* (London), 1 May 1981.

[7] *Sunday Express* (Johannesburg), 4 October 1981.

[8] *ibid.*, 18 October 1981.

areas of common concern decisions are made together, Treurnicht and his followers are determined to retain clear divisions between the races. The tempo of events speeded up in February 1982, when Botha said that all members of the government (and therefore by implication Treurnicht) had accepted power sharing by accepting the 1977 proposals. Treurnicht saw these allegations as 'blatant and infamous lies'. 'Power sharing', he thundered at a meeting in Nylstroom packed with rapturous supporters, 'is a sickness'.[9]

Further confrontation came over a sentence in a party propaganda sheet, 'Nat 80', which said that South Africa could only have one government. Treurnicht objected to the idea of different races being within one government and stressed again the need for separate institutions, but Botha endorsed the 'one government' statement and told Parliament that the party's support for co-responsibility and consultation with the Coloureds and the Indians amounted to 'healthy power sharing'. Following a Cabinet meeting at which, according to some of those present, Treurnicht was given full opportunity to state his case but failed to do so, the dispute flared up at a caucus meeting of all the National Party MPs at Cape Town on 23 March. After a bitter quarrel, a motion was moved by Botha supporters asking for a vote of confidence in the Prime Minister. Treurnicht and his followers refused to give such unqualified support and, when the vote went against them, walked out. At a special meeting of the party's provincial committee in Transvaal Treurnicht, the province's leader, clearly hoped to sway the delegates, but unexpectedly Botha turned up at the hall. Although the national leader had no official status in the Transvaal party, his supporters persuaded the delegates to allow him in to address them. Both Treurnicht and Botha then spoke, the latter threatening to resign if he did not have the delegates' support. A vote of confidence in the Prime Minister was passed by the surprisingly large majority of 172 to 36. Subsequently, Treurnicht was stripped of all his positions in the Transvaal party. The rebels were given a week to change their minds, and in that time six of the original 23 MPs who had walked out of the party caucus returned to the fold. For the others, including Treurnicht, the break was irreparable and they formed the Conservative Party.

Conflicting accounts of the circumstances surrounding the split expose the resulting bitterness. Botha supporters say that there was no prior plan to force Treurnicht and his followers out of the party, and that the decision to put the fateful vote of confidence at the caucus meeting arose spontaneously. If there were any plotting, it was done by the Treurnicht group, which had organized a faction in the party and had been successful in cornering the major posts in the Transvaal party. The Treurnicht followers deny all that. They claim to have had no plans either to take over the party or to leave it. The situation was allegedly forced on them: they went to the caucus meeting totally unprepared and were stunned and shattered by the outcome, which they believe was planned.

Whatever the truth of the accusations, the division was cemented in May with the publication of further constitutional proposals by the President's Council. (It has been suggested that Botha may have forced through the break to clear the

[9] *Rand Daily Mail*, 6 February 1982.

ground for these proposals.) The wide-ranging proposals, which cover local as well as central government, immediately aroused controversy over such matters as the exclusion of Black Africans from central government, and the extensive powers of the executive, but in the context of the National Party split it is the implementation of 'power sharing' which set the seal on the division. The proposed changes even envisage a limited role for Blacks in metropolitan authorities, but their main feature is a Cabinet of Whites, Coloureds and Indians, which will not be chosen from Parliament but appointed by the State President. At a later stage, there is to be a single Parliament made up of the three races. Although the proposals came from the President's Council, they reflected closely Botha's thinking. In contrast, Dr Treurnicht greeted them as 'shocking', and said that the government could expect strong opposition if they accepted them.[10]

### Pragmatists versus purists

Is the National Party split following the dispute over 'power sharing' a division of deep principle—of fundamentally divergent views of South African society—or is it less a difference of substance than a 'cosmetic' disguise for a clash of personalities or simply a matter of presentation of policy? There is confusion among the White public about this, whereas many Blacks are openly sceptical, saying that the dispute represents no real move away from apartheid. However, for those directly involved, the division is real enough and is deeply felt. Both sides invoke the views of former National Party leaders to demonstrate that they are 'right' and their opponents 'wrong'. For instance, last April, when Botha denounced his opponents in a parliamentary debate, he claimed that his government was following in the footsteps of Generals Botha and Hertzog, and Prime Ministers Dr Malan and Dr Verwoerd.[11] Behind the rhetoric and appeals to the past, it is perhaps best to see the division as one between the 'pragmatists'—Botha's group which believes that if the Whites are to preserve their own position they have to come to terms with changing circumstances and establish forms of co-operation with the other races—and the 'purists', Treurnicht and his followers, who believe that giving any ground on racial segregation will lead to the collapse of the whole structure with fatal consequences for the Whites.

Added to that difference of approach, there are personality and provincial divisions. Considerable personal bitterness has been generated. Botha himself is a tough, determined man, an excellent organizer who has gained the devotion of his closest followers, but he does not inspire great public affection and his opponents accuse him of being a ruthless and unforgiving bully. For example, at the end of the parliamentary speech mentioned above, in which he accused the Conservative leaders of disloyalty and of 'trampling' on the confidence he placed in them, he threatened to 'crush them', adding 'we shall expose them for what they are and we shall defeat them.'[12] For his part, Treurnicht is an excellent public speaker, able to

[10] *ibid.*, 13 May 1982.
[11] South African *House of Assembly* debates, 15 April 1982 and 16 April 1982, Cols. 4500–38.
[12] *ibid.*, Col. 4538.

sway a crowd in a way that Botha cannot, but out of the public setting he is a mild, almost diffident man, reflecting his previous training as a pastor in the Dutch Reformed Church. He is said to be an indifferent administrator who made little impact as a Minister, and there are doubts about his ability to hold his own in the rough and tumble that lies ahead. However, what Treurnicht may lack in toughness is compensated by members of the National Party's old guard who support him because they think that Botha has treated them harshly. They include Connie Mulder and John Vorster, who both believe that they were victimized in the Department of Information scandal; Jimmy Kruger, the former Minister of Justice, who was persuaded to accept the Presidency of the Senate without, he says, knowing that the Senate was to be dissolved; Louwrens Muller, a former Leader of the House of Assembly and a Botha supporter, who believes that Botha blocked his appointment as State President; and, finally, members of the Verwoerd family, including Mrs Verwoerd, who think that the apartheid master plan is being betrayed.

**Regional and class factors**

Turning to provincial differences, one aspect is related to the substance of the dispute—namely, the position of the Coloureds and Indians in South African society. The Coloureds are mainly concentrated in the Cape and the Indians in Natal, and thus many Transvaalers see them as people of peripheral importance but who now threaten to breach the wall of apartheid and expose the Whites to much greater danger from the Black Africans. Botha, as a Cape man and one who previously had ministerial responsibility for the Coloureds, is said to have a strong personal commitment to them, whereas he feels much less strongly about the Indians but accepts that they cannot be left out. This particular difference of view has to be set in the context of the traditional rivalry between the 'conservative' Transvaal and the 'liberal' Cape, which was exacerbated by the leadership struggle that brought Botha to power. It is striking that the Conservative Party is a predominantly Transvaal party, both in terms of the MPs who broke away and its popular support.

A further dimension to the dispute is the emergence of social and class divisions among Afrikaners. Although many Afrikaners would dispute the importance of such a division, two factors have become clearer in recent years. The first is that the need for strict Afrikaner unity is much less apparent now that the Afrikaners have established their political dominance in government and have eliminated the old problem of their 'poor White'. Second, as Afrikaners have advanced to the top in government, business, industry and banking, so clear economic and social differences have emerged. Evidence for this is the predominantly 'blue-collar' support for the HNP. It is in this context that Botha's opponents accuse him of becoming a creature of the capitalists, prepared to break White unity for capitalist interests—which in this case means wooing the Coloureds and the Indians to extend the choice of labour available. The splits in the National Party could therefore be translated into a three-layer division—Botha reflecting the new capitalist and technocrat interests among Afrikaners, Treurnicht the traditional party support among the churches, the teaching profession and the farmers, and the HNP

gaining the support of the artisans and workers. Such a division is too crude to be satisfactory in itself, but broad class cleavages now do exist in Afrikaner society.

**Future options**

What of the future? For Black Africans, the present split among the Whites may be of profound significance but for the moment they are out of this particular arena. That is not true of other groups. The Coloureds and the Indians face a great dilemma—whether or not to co-operate. On the one hand, they are deeply suspicious—first, because of their commitment to Black rights, second, because they fear that this is another device to divide and rule, and, third, because the Whites could still dominate in the new structure; but on the other hand, they are being offered for the first time direct participation in government decision-making, and if they do involve themselves they may be able to enhance their own position and status and to work for Black rights. There are sure to be divisions among the Coloured and Indian leaders, but probably enough of them will accept the proposals for the government to claim the support of their communities.

In White politics, the Progressive Federal Party (PFP) and the New Republican Party (NRP), which have largely English-speaking support, are not directly involved in the dispute, but are affected by it. Like the Coloureds and Indians, the PFP faces a dilemma in deciding whether or not to support the proposals as steps along the road to reform; but if the party does give its support, what then are the differences between it and the government? In any case, the PFP, as well as the 'conservative' NRP, is in danger of losing some electoral support, for with the emergence of a powerful Conservative Party the ruling National Party will gain a more moderate image and may draw away some 'middle-of-the-road' supporters.

The great fight, however, is taking place among Afrikaners. The main battleground is the Transvaal, where particularly in the north and west the Conservatives have made considerable gains. Both sides are active in trying to build new organizations and woo public support, and the Conservative Party has so far drawn the larger crowds to its meetings. However, the National Party in the Transvaal, under its new leader, F. W. de Klerk, is rebuilding itself, recruiting new members, and putting across its message as strongly and clearly as possible. In that, however, the government has a problem, and not only in the Transvaal. Recent changes in the government structure, arguments about 'power sharing', and the complicated new constitutional proposals, do not lend themselves to easy explanation, or to rousing slogans. Many of the electorate must be bemused by the government's position, whereas the Conservatives have an easy battle cry—'no change'. Of course, the Conservative Party would claim that it stands for more, but that is the simple compelling message which has great appeal for a White community worried about its own future.

The government recognizes the need to simplify its message, and strengthen its organization. Botha has said that, before introducing any reform, the government will seek the approval of a number of party congresses. First he proposes the unusual step of calling a national congress. It looks like a skilful move, for it is unlikely that the full party will turn down the government's recommendations,

and once that is achieved it will be difficult for any province to move out of line. Botha has also mentioned the possibility of holding referendums among the three races—Whites, Coloureds and Indians—and again, if he shuffles his cards correctly so that the first gives him a resounding support, the others should follow more easily.

While the government is laying its plans, the CP is equally active and has drawn groups away from the National Party who would never follow the HNP. While the HNP has a crude, unsophisticated image, Treurnicht and his followers have made reaction respectable and have made considerable inroads among Afrikaner academics, teachers, civil servants and the clergy of the Dutch Reformed Churches. One worried National Party supporter in the Transvaal asked her MP for more information to counter the arguments of the rest of the staff at her school who were all Treurnicht supporters, and the University of Pretoria is split down the middle both among the staff and students. With regard to the civil service, a Conservative MP said that if the government can claim the loyalty of the top 10 per cent, the CP can claim the rest. Doubtless that is an exaggeration, but there may be opposition to 'power sharing' among civil servants both in principle and because they fear that a mixed-race government means a mixed-race civil service with more competition for jobs. A further pointer to the potential strength and influence of the Conservatives is in the attitude of the powerful Broederbond. When the HNP was formed its members were excluded, but that has not happened to the CP, and indeed the Broederbond Chairman, Dr Carel Boshoff, the son-in-law of the late Dr Verwoerd, is said to favour the new party.

Until there is a direct contest for votes, either at a referendum or an election, it is impossible to be confident about the reshaping of electoral loyalty, but an attitude survey by the University of Natal in May 1982 (before the constitutional proposals were published) gave the following results.[13] (The figures for August 1981, before the Conservative Party was formed, are in brackets): National Party (NP) 44 per cent (52); PFP 21 per cent (22); Conservative Party (CP) 19 per cent; HNP 3 per cent (8); NRP 5 per cent (7); abstainers 8 per cent (9).

The poll indicates the following: the National Party has lost ground, probably among Afrikaners, and therefore becomes less of a '*volk*' party; support for the PFP remains steady; the CP has gained support at the expense both of the NP and the HNP (whereas some political commentators believed that the HNP would retain its support because of its 'class' image); if the figures were translated into election results, the CP would become the main opposition party because its concentrated support in the Transvaal would give it more seats than the PFP with its more evenly spread support.

Two main possibilities lie ahead for the National Party. The first is to plough on under Botha's leadership, accepting the proposed reforms, losing further 'right wingers' from within its own ranks, but hoping to pick up more English speakers, so that it would become a 'moderate' party in terms of White politics. While the reforms fall far short of Black aspirations, for the Whites bringing people of different races into the government really is a journey to an unknown destination.

[13] *Rand Daily Mail*, 3 May 1982.

Early indications after the publication of the constitutional proposals are that Botha has the backing of the party.

The alternative is to retreat from reform, perhaps oust Botha for a more conciliatory leader, like de Klerk, the new Transvaal leader. While that may appear unlikely, there is a body of Nationalist Party MPs and officials, somewhat dull and unimaginative, but important in the ballast they give to the party, who are weary of the constant bickering and divisions and would like nothing better than a quiet concentration on Afrikaner unity. However, on their side, the Conservatives also have uncertainties. Many think that Treurnicht cannot last as leader, for despite his gentlemanly qualities and ability as a public speaker, the lack of toughness and organizational ability tell heavily against him. There is even talk that the ambitious Connie Mulder may rise phoenix-like from the ashes of his former disgrace to lead the Conservatives. That appears unlikely, but the leadership issue is openly under debate. Further, because of personality and policy differences, there seems to be little chance of the CP and the HNP emerging to present a united 'right-wing' challenge—although to those unversed in the byzantine intricacies of White South African politics the differences in policy are difficult to detect. Yet, despite the problems faced by the new Conservative Party and the weight of government opposition to it, there must at least be a chance that, as in Rhodesia, when the Black pressure mounts, the White voters will turn increasingly to a party which preaches no change and continued White domination. If they do, it will be because they share Treurnicht's view that a breach in the apartheid wall for Coloureds and Asians will be followed by the collapse of the whole structure; for underlying the dispute is the unanswered question of White South African politics—what is to be done about the Black African majority?

# Civil war in Chad, 1978–82

JULIAN CRANDALL HOLLICK

It is reasonable to assume that few people before December 1980 had ever heard of the 15-year-old civil war in Chad or could even find the country on the globe. In December 1980, however, Libyan troops invaded Chad. African and Western opinion suddenly realized that Chad was not only of major strategical importance to the stability of sub-Saharan and central Africa, but that a solution had to be found to prevent the conflict spilling over into, first, the African, then, the international arenas. What had appeared as no more than recurring clashes between small bands of Africans marching up and down the Sahel, in a war where victories were claimed when oases changed hands, suddenly became of major importance to Chad's neighbours as their own security was in turn threatened. The civil war had ceased to be a purely internal affair. France, Libya and the Organization of African Unity (OAU) tried and failed to end the war, each attempt merely increasing the danger that Chad's apparently insoluble conflict would assume the proportions of an African Lebanon, eventually dragging in both super-powers.

The civil war in Chad began as a typical sub-Saharan conflict between the Muslim north and the Christian, animist South for political power. In neighbouring Sudan, this antagonism has been resolved through a fragile form of federalism. In Chad's case this has failed to work so far for two principal reasons. First, while Chad is a country, it is not yet a nation. The Sara tribesmen in the fertile, cotton-producing South have very little in common, certainly not a sense of national identity, with the nomadic Toubous and Touaregs to the north. Second, no one contender has been politically or militarily strong enough to win undisputed power or willing to share power in a coalition with any of his rivals. Inevitably, Chad's neighbours—particularly Libya, Nigeria, Egypt and the Sudan—have used the civil war to back different factions sympathetic to their own policies, settling their own scores in the process. The various players within Chad have proved equally adept at exploiting the differences and weaknesses of their respective patrons. Peace and a durable political solution have therefore been greatly complicated and are probably further away than ever today.

## Background to the civil war

The civil war began in 1966 when Muslim northerners, represented by Frolinat,[1] began fighting government forces in the Tibesti mountains near the border with Libya. French troops were sent to help the Chad government in 1968 but were withdrawn three years later, although Frolinat was still undefeated. In 1973, Libya,

[1] Frolinat: Front for the National Liberation of Chad. For more details of the early years of the conflict, see Pierre Biarnès, 'Comment en est-on arrivé là ?', *Le Monde*, 7 February 1981, and the author's 'French intervention in Africa in 1978', *The World Today*, February 1979.

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which until then had merely offered Frolinat political support, sent its own troops to occupy the Aozou Strip, reportedly rich in manganese and uranium. Colonel Qaddafi, like King Idris before him, claimed the border territory by virtue of a 1935 Franco-Italian treaty. International recognition of Libyan sovereignty over the Aozou Strip has remained a constant aim of Libyan diplomacy ever since. When Frolinat's leader, Hissène Habré, refused to acknowledge Libya's sovereignty, he was replaced, at Libyan insistence, by Goukouni Ouddei, who was later to prove to be almost as unaccommodating as his predecessor to Libyan wishes.

In 1978, Frolinat armies swept down from the north and crushed government forces. Only direct intervention by French ground troops and Jaguar fighter bombers, coupled with economic aid, prevented Frolinat from taking N'Djamena, the capital of Chad; Frolinat's main army was finally defeated in May 1978. After three months of quiet but intense negotiation between France, Libya and the Sudan, an agreement was reached in Khartoum on 4 August 1978. Hissène Habré became Prime Minister in a government of National Reconciliation under President Félix Malloum, leaving Frolinat and Goukouni Ouddei out in the cold.

The unnatural marriage between Habré and Malloum failed to survive the winter. In February 1979, the struggle for political power between the two men had degenerated into open warfare in the streets of N'Djamena. Southern Sara tribesmen, fearful of losing political control to the northerners, reportedly went on the rampage and massacred several thousand Muslims in the capital. Taking advantage of the confusion and almost total breakdown of any semblance of central government, Frolinat launched a new offensive from the North.[2]

This time it was the Organization of African Unity rather than France which stepped in to try and impose a ceasefire and establish a framework for reconciliation between the various factions. The OAU set up a special Chad subcommittee which met in the Nigerian city of Kano in August 1979 and brought into existence a transitional Chad government which included all the factions and sub-factions to the civil war, eleven in all.[3] The three most ambitious contenders for political power —Hissène Habré, Colonel Kamougue (leader of the South) and Acyl Ahmat (the most pro-Libyan Chad politician) became respectively Defence Minister, Vice-President and Foreign Minister, with Goukouni Ouddei as a largely figurehead President. The GUNT was mandated to prepare elections for Spring 1982. The OAU proposed sending its own peace-keeping force to Chad and called for the withdrawal of all foreign troops from the country, a clear invitation to the remaining 2,000 French troops to leave. A Libyan advance into the Tibesti mountains, however, brought Ouddei and Habré together to demand that the French forces remain as the government struggled to become reality.[4]

In March 1980, Ouddei broke with Habré, accusing the latter of trying to seize

[2] *Le Point* (Paris), 12 January 1981.

[3] The transitional government is often referred to by its initials GUNT or Gouvernement d'Union Nationale de Transition.

[4] Ouddei declared: 'It is the sacred duty of every Chadian to fight (to preserve national independence) against Libya', words which were later to come back to haunt him. Quoted in *Le Point*, 12 January 1981.

power with French support and asked the French government to withdraw its troops in May 1980. Between then and November, the small armies of Ouddei and Habré turned N'Djamena into rubble, neither side strong enough to force a decisive result, although the better disciplined forces of the Defence Minister would probably have won in the end. Out of desperation Ouddei sent Frolinat's General Secretary to Tripoli in June to negotiate a secret treaty under which Libya agreed to come to the aid of the transitional coalition government in the event of civil war or external threat.

The treaty's existence was kept a secret until the end of September when Colonel Qaddafi announced his willingness to send troops to help Ouddei. Qaddafi also claimed Chad as part of Libya's 'vital living space', adding that 'the security and destiny of Chad are linked permanently to those of Libya'.[5] In an obvious effort to blunt French alarm, the Libyan leader offered to discuss further French arms exports and oil exploration licences. By mid-November, the full implications of the treaty had become clear. A Libyan tank force had accomplished the major military feat of crossing 1,000 miles of mountain and desert in fighting order. A Libyan air base was reported to be under construction just 40 miles north of N'Djamena, while several thousand members of the so-called 'Islamic Legion' were occupying northern and central Chad.[6] On 15 December, Habré's forces were finally forced out of N'Djamena: Habré escaped with part of his army to join an estimated 200,000 refugees in Cameroon, while another column managed to break out of N'Djamena and fight its way across Chad to the Sudan. It appeared that the civil war was finally over, thanks to Libyan forces, and that Ouddei was now the undisputed master of Chad. At an inconclusive OAU meeting in Lagos on 23 December, the Libyan Foreign Minister justified intervention as merely carrying out the OAU's 1979 mandate at the request of the GUNT. None of the other participants seemed ready to criticize Libya publicly.

Chad's history would doubtless have been different if Colonel Qaddafi had left it at that. On 6 January 1981, however, he went one step too far by announcing a complete merger of the two countries. The OAU sub-committee startled itself into an uncharacteristic burst of energy and met in the Togolese capital of Lomé on 12 January to denounce the proposed merger as illegal and to order the Libyan troops to withdraw as soon as the OAU had established its own peace-keeping force to replace them. Colonel Qaddafi dismissed the Lomé communiqué as a 'mere scrap of paper', then sent Libyan reinforcements to Chad against an imaginary French invasion.[7]

### Libyan motives, African reactions

Colonel Qaddafi had made little secret of his ambitions or his view that Chad

[5] The speech was apparently not reported in the Western press until two months later. See *Le Monde*, 5 December 1980, for a complete analysis.

[6] There has never been agreement on the exact size of Libyan forces in Chad. The figure of 4,500 troops in December 1980 is widely accepted. But estimates for the total in 1981 range from 6,000 to 10,000, with unconfirmed reports of Russian and East German advisers on the ground.

[7] *Le Monde*, 17 January 1981.

was a natural and geographical extension of Libya.[8] To many Africans it appeared far more likely that a Libyan occupation of Chad was merely the first step towards fulfilling Qaddafi's dream of an Islamic Saharan Empire which would recreate the biblical Chesnuk empire that stretched from Mauritania in the West to the Sudan in the East. Neighbouring states, such as Mali, Niger and even Algeria, had already become alarmed at Libyan claims to parts of their territory.[9] In October 1980, the Libyan leader had warned Niger's President Kountché that Libya was prepared to intervene wherever 'Muslims were oppressed' by secular movements and called on the Muslim populations of Niger and Mali to join Libya in a 'Holy War' against the West and pro-Western states in the Middle East, such as Israel, Egypt and Sudan.[10]

The proposed merger of Chad with Libya, however, produced almost unanimous condemnation from African states who had previously preferred to keep quiet and not risk offending Libya for security or ideological reasons. Annexation of Chad was too blatant and dangerous to their own security to be passed over in silence. For all its poverty, Chad is strategically vital to control of the Upper Nile (and hence the security of Egypt and Sudan). It opens the way into the heart of Black Africa to the south and is a springboard for Libya's irredentist claims in West Africa, where drought, corruption and political failure have left several states vulnerable to subversion.

In June 1980, the Senegalese government had broken off diplomatic relations with Libya, accusing Colonel Qaddafi of attempting to destabilize Senegal through financial support of the Islamic fundamentalist party. In January 1981, the Mauritanian government announced that it had, in turn, foiled a coup in late 1980 from a radical Islamic group funded by Tripoli. Libyan intervention in Chad led to a further six African states suspending diplomatic ties with Libya. Sudan, nervous at possible Libyan subversion in its backward Dafour province, reaffirmed a mutual defence arrangement with Egypt. The single most important African reaction, however, came from Nigeria which had previously supported Libya and opposed French efforts to prop up conservative regimes in Mauritania, Zaire and Chad. Widespread violence in Kano in December 1980, allegedly sparked off by Muslim radicals, finally woke the Nigerian government up to the dangers to the country's own fragile stability from the presence of Libyan forces on its northern border with Chad. Two divisions were rushed to the Chad border, which was then sealed off. The self-styled 'People's Embassy' was expelled and the Nigerian Foreign Minister offered logistic and financial support to an OAU peace-keeping force on a visit to Paris in late January.[11]

African opinion did not hold back from comparing Qaddafi with Hitler, with the implicit inference that the time for appeasement was past unless Africa wanted to follow the Europe of the 1930s into the same maelstrom of war and destruction

[8] The argument that the sparsely populated Libya needed the empty deserts of Chad as part of its 'vital living space' failed to convince African or French opinion.

[9] In 1976, maps published in Tripoli showed slices of each country as part of Libya. Two years later, the Libyan government began to give Libyan passports and arms to nomadic Touareg tribesmen whose homeland straddles the frontiers of all three states.

[10] *Jeune Afrique* (Paris), 21 January 1981. [11] *Le Monde*, 25–26 January 1981.

to halt one man's ambition.[12] One writer in *Jeune Afrique* asked: 'Should we accept African imperialism and only condemn imperialism when it comes from overseas? Imperialism remains imperialism whatever its shape or colour.'[13] Colonel Qaddafi readily accepted the comparison: 'Those who call Hitler a mad dictator base their judgement on the fact that he lost the war. But if he had won, Nazism would have been considered beneficial.'[14]

### Criticism of France

The immediate loser, apart from Chad, appeared to be France. In 1977 and 1978, French military support in Mauritania, Zaire and Chad had seemed to be all that was separating Africa from Cuban and Soviet control in the Western media, in obvious contrast to the inertia of the Carter Administration. But the three episodes had also served to highlight the contradictions and limits to France's policy of support for its conservative African friends. Intervention had drawn considerable criticism from powerful African states such as Nigeria and from both Right and Left within France, who feared a possible French Vietnam or the alienation of radical African states such as Algeria and Libya.[15]

Now France appeared to many Africans at best vacillating, at worst unreliable and hypocritical, by its conspicuous failure to condemn the Libyan intervention until early January 1981. Many awkward questions were raised: Why had Paris failed to display the same determination in December 1980 as two years previously? Had Chad been sacrificed for lucrative arms or oil contracts? Why, at the very moment that Libyan troops were launching their final assault on Habré's positions in N'Djamena, was a senior official of the Quai d'Orsay negotiating in Tripoli? Why did the French government allow M. Albin Chalandon, head of the state-owned oil company, *Elf Acquitaine*, to negotiate new oil exploration contracts in Tripoli in December, and then suffer them to be announced by the Libyan government in the presence of the politically experienced M. Chalandon on 6 January, a few hours before Colonel Qaddafi told the world of the proposed Chad-Libyan merger? For many French and African observers, either the French government was naïve and had allowed itself to be manipulated, or it tacitly condoned the Libyan annexation.[16]

At the centre of France's apparent passivity lay the illusion that France could somehow both continue to be on good terms with progressive Third World states like Libya, and at the same time defend more conservative African countries against Libyan policies. Colonel Qaddafi had played on this contradiction, blunting French policy with hints that he could still be wooed away from radicalism and the Soviet Union at the right price, whether it was sophisticated weapons, nuclear power stations or . . . a free hand in Chad.[17] There was a widespread sus-

[12] cf. *Jeune Afrique*, 21 January 1981; *Le Monde*, 16 January 1981.
[13] *Jeune Afrique*, 21 January 1981. [14] *Le Monde*, 12 January 1981.
[15] See the author's 'French intervention in Africa in 1978', *The World Today*, February 1979.
[16] cf. the articles in *Jeune Afrique*, *loc. cit.*; *Le Monde*, 12 January 1981; *Le Point*, 12 January 1981.
[17] For the better part of a decade, France had supplied Libya with the most sophisticated arms, turning a blind eye to their possible use, notably during the 1973 Yom Kippur war. At the beginning of February 1981, the French press discovered that France was still supplying Libya

picion in France and Africa that France and Libya might have reached a verbal understanding in July 1978 to divide Chad into rival spheres of influence, with France taking the oil-rich South.[18] Although the Elysée vigorously denied the charges, they were lent credibility by France's readiness to pull out of Chad in May 1980; the return of the French ambassador to Tripoli in July 1980 before Libya had formally apologized for the sacking and burning of the French embassy the previous February; and by the Defence Ministry's refusal to acknowledge US intelligence reports of the Libyan invasion in November 1980. President Giscard d'Estaing claimed that France could do nothing because the GUNT had never officially requested French help, an explanation which seemed strangely at odds with his bold actions less than three years before.[19] Most Frenchmen probably agreed with the former Prime Minister and veteran Gaullist leader, Pierre Messmer, that France had experienced 'its most serious setback in Africa for the past 20 years' or with the equally blunt comment of one African diplomat that 'France can only guarantee our security when we are not threatened.'[20]

### Libyan and OAU failure to end civil war

Although France moved belatedly to restore some of its credibility, sending small contingents to several francophone African countries, placing its Mediterranean fleet on alert and pledging military support to any African country threatened by Libya, it was the forthrightness of African criticism and the refusal of Vice-President Kamougue to even contemplate a merger that led Colonel Qaddafi to play down the scope and significance of the 6 January proposal.[21] It appeared, however, that Libya might win by default because the OAU lacked the necessary political, logistical and financial resources to put together a credible peace-keeping operation.

The next eight months were spent in endless OAU meetings that were full of good intentions but short on men and money. President Shagari of Nigeria arranged a meeting with Colonel Qaddafi and Sierra Leone's President in February and then cancelled it when Libya told him that it had no intention of withdrawing its troops from Chad. Another Nigerian scheme for a peace-keeping force that would have included the Libyan troops, was scuttled in April by Cameroon's refusal to lend legitimacy to the Libyan presence. In June, the OAU annual summit endorsed the idea of a peace-keeping force, several states offered troops, but nothing happened for lack of resolve and money, even though Goukouni Ouddei had indicated that he was willing to ask the Libyans to leave.[22]

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with tank transporters of the type used to ferry the Libyan force across the Sahara to Chad. When questioned about this, the government explained that while tanks were embargoed, their transporters were classified as civilian material. *Le Point*, 2 February 1981.

[18] cf. *Jeune Afrique*, 21 January 1981; *Le Monde*, 12 January 1981; *Le Point*, 12 January 1981.

[19] *Le Monde*, 29 January 1981. [20] *The Times*, London, 26 January 1981.

[21] Colonel Kamougue called the merger an 'impossible marriage', asked for French military aid and served notice on Libya: 'Yes to co-operation with Libya. No to Libyan occupation. We must get the Libyan troops out!', *Le Monde*, 25–26 January 1981. Qaddafi sent his nephew to Paris and told the General Congress of the People in Tripoli that the merger was simply a constitutional union of two sovereign states, *ibid.*, 22 January 1981.

[22] *ibid.*, 10–11 May 1981.

Sudan and Egypt offered Habré territorial sanctuary and arms to launch increasingly effective attacks against the armies of Acyl Ahmat and the Libyans in eastern Chad. Habré appealed to the United States for arms against the Reagan Administration's *bête noire*, but was met with diplomatic silence, perhaps because, like Nigeria, Washington feared that open arms shipments to Habré might provoke a Libyan attack on Sudan.

The missing element was supplied by the new French government of François Mitterrand, which offered to support OAU efforts and, by shifting French support away from Habré, to bolster Ouddei's self-confidence sufficiently so that he would feel able to ask the Libyans to leave. In September, President Mitterrand invited Ouddei to Paris, then sent him a small but symbolic shipment of light arms. Once again, however, it was Colonel Qaddafi who provoked France and the OAU into action. In early October, Qaddafi warned Ouddei that he would be replaced with Acyl Ahmat unless he signed the merger agreement by the end of that month. President Mitterrand used the Cancún summit in Mexico to secure the support of Nigeria, Kenya, Senegal and the United States for the immediate formation of the peace-keeping force, with France and the United States paying the bulk of the costs and offering logistical help.[23]

An emboldened President Ouddei ignored a final Libyan attempt to force him to sign the merger treaty and obtained a Cabinet vote demanding that the Libyans withdraw before the end of the year.[24] President Moi of Kenya, acting President of the OAU, informed Colonel Qaddafi that an OAU force, drawn from Nigeria, Senegal and the Ivory Coast, would soon replace the Libyans. Further contingents were promised by Zaire, Gabon and Benin at the eighth Franco-African summit in Paris at the beginning of November. Egypt and Sudan toned down their attacks on Libya, while Hissène Habré announced a ceasefire to remove any pretext for a continued Libyan presence in Chad.

The Libyans, however, executed an immediate withdrawal on 4 November that surprised both the Africans and France. Undoubtedly, one reason for this unexpected move was the cost of occupying Chad and the growing domestic unpopularity of the war. A second reason was a series of military defeats at the hands of Habré's army.[25] The decisive reason, however, was probably Colonel Qaddafi's desire to assume the chairmanship of the OAU in June 1982. By all accounts, Qaddafi sets considerable store on the chairmanship and was prepared to withdraw from Chad rather than face a general boycott of this year's OAU summit in Tripoli. The Libyan leader can also claim that the promptness of the Libyan withdrawal from Chad in November demonstrated respect both for Chadian sovereignty and for the OAU. Of course, the speed of the withdrawal may also have been deliberate, a calculated attempt to create a vacuum which would encourage an intensification of the civil war before the OAU peace-keeping force could be assembled, suggesting to African and international opinion that only Libya could

[23] *Le Nouvel Observateur* (Paris), 31 October 1981.

[24] Major Jalloud, second in command to Colonel Qaddafi, reportedly arrived at N'Djamena with Acyl Ahmat for a showdown with Ouddei and failed.

[25] *L'Express*, 24 December 1981, reported that a Libyan force had been destroyed in a pitched battle in eastern Chad in September by Habré's forces.

contain the civil war. As he left N'Djamena, the Libyan commander Colonel Saleh Radwan observed: 'When we leave, peace leaves also.'[26]

Thus far, the Libyan calculations appear to have some justification. The OAU force has proved a sickly child. Only half the promised 8,000 troops have actually been deployed, and then not until mid-December, by which time Hissène Habré had seized his opportunity to sweep through eastern and central Chad to within 125 miles of N'Djamena. Nigeria, which has supplied the bulk of the force, delayed committing its troops until France and the United States had promised financial support and it had been assured of overall command of the peace-keeping force. The Nigerian government is still wary of being used by France to restore French influence in Africa. A meeting in Nairobi on 28 November had also failed to clarify the precise role of the force. Was it merely to be a policeman, preventing any outside intervention from Libya or the Sudan, and taking no sides in the domestic war? Or was it meant, as President Ouddei obviously hoped, to fight on behalf of the GUNT against Habré? Ouddei made it clear that if the OAU stayed neutral and did not support him, he would have little hesitation in demanding the withdrawal of the force in favour of the Libyans.[27]

By mid-January, it had become clear that both Ouddei and the OAU force were in difficulty. Habré's sweep of military successes had led France and the OAU to reconsider their previous support for Ouddei. The latter also failed to convince President Numeiry of Sudan to withdraw support for Hissène Habré until and unless the Chadian President was willing to share power with his rival.[28]

The OAU, in turn, had found peace-keeping less rewarding and more expensive than anticipated. The force had proved too small to be effective. Its costs had been higher and Western financial support lower than expected. A special OAU sub-committee meeting was held in Nairobi on 10 February, which resulted in an ultimatum to President Ouddei that the OAU force would be withdrawn by the end of June unless Ouddei opened negotiations with Habré by mid-March, prepared a new constitution by the end of April, and finally held presidential and legislative elections under OAU supervision before 30 June. The OAU also reaffirmed the neutral role of the peace-keeping force. President Ouddei left the meeting claiming that he had been betrayed by the OAU, whose jurisdiction he now refused to accept.[29]

The OAU appears to have realized the difficulties in finding a permanent solution to the civil war and has perhaps implicitly justified Libya's argument for intervention. The problems in putting together even a temporary OAU peace-keeping operation, much less in paying for it without foreign aid, have been cruelly exposed. If the OAU withdraws its force this summer, the clock will have been put back three years.[30]

[26] Quoted in *Le Point*, 9 November 1981. [27] *New York Times*, 29 November 1981.
[28] *ibid.*, 12 February 1982. [29] *ibid.*
[30] Since this article was written, the rebel Armed Forces of the North (FAN) under Hissène Habré won control of N'Djamena on 7 June. The OAU declared that it would withdraw its peace-keeping forces. *The Times*, 8 and 9 June. The deposed Ouddei fled to Cameroon, then sought asylum in Algeria. *The Guardian*, 22 June 1982. In a message to President Sekou Touré of Guinea, Habré said he wished the OAU forces to remain in Chad, but only Zaire seemed willing to keep its contingent there. *Le Monde*, 20/21 June 1982.

# Gas for Western Europe: choices for the 1990s

JONATHAN P. STERN

MUCH has been written about international energy trade, but there is little published material which deals specifically with natural gas.[1] In 1981, volumes of internationally traded gas worldwide amounted to only 117 million tons (mt) in oil equivalent, compared with 1,423 mt of internationally traded oil.[2] The major reason for the small volume of internationally traded gas is that the fuel can only be transported through pipelines, or as liquefied natural gas (LNG) in special cryogenic tankers (at a temperature of minus 161 centigrade), requiring liquefaction and regasification plants in the exporting and importing countries. In most cases, therefore, gas supplies are dedicated to one market and inflexible.

More recently, gas has begun to attract considerable attention in OECD countries as an important factor in the strategy to diversify energy imports away from oil. The most debated of the new gas trade projects has been the Urengoy-Yamburg pipeline, which is projected to deliver gas from Western Siberia to Western Europe from the mid-1980s.[3] The discussions between West European countries and the United States on the advisability of importing Soviet gas and the availability and suitability of alternatives, have raised the important issue of overall security of West European gas supplies. This article looks at the major features of the West European gas situation and suggests that hard choices will have to be made in the immediate future if the security of this trade is not to deteriorate further in the 1990s.

## West European gas supplies

The data in Tables 1 and 2 for the OECD and the EEC underline that 'Although the numbers can be manipulated in many ways, the basic conclusion . . . [is that] even concerted policy actions by . . . Governments to accelerate their own gas development will not eliminate the need for a growing quantity of imported gas.'[4] Table 2 makes various assumptions about contracts which are not yet firmly established, but again, the overall message is clear: aside from the United Kingdom (whose rather special situation we shall return to later), all West European coun-

[1] A notable exception is Malcolm W. H. Peebles, *The Evolution of the Gas Industry* (London: Macmillan, 1980).

[2] *BP Statistical Review of World Energy, 1981*, pp. 14–15.

[3] For details, see Jonathan P. Stern, *East European Energy and East–West Trade in Energy*, British Institutes' Joint Energy Programme, Paper No. 1, Chatham House/Policy Studies Institute, May 1982, pp. 68–70.

[4] International Energy Agency, *Natural Gas: Prospects to 2000*, OECD/IEA, Paris, 1982, p. 100.

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TABLE 1: Natural Gas Balance for OECD Europe 1980–2000 (*billion cubic metres*)

| | 1980 | 1985 | 1990 | 2000 |
|---|---|---|---|---|
| Production OECD in Europe | 194* | 189–195 | 174–191 | 125–181 |
| Netherlands | 90·0 | 75 | 60 | 25 |
| Norway | 29·2 | 35 | 36–42 | 36–63 |
| United Kingdom | 37·3 | 42 | 40–44 | 36–48 |
| Others | 42·7 | 37–43 | 38–45 | 28–45 |
| Demand | 220 | | 316–319 | 310–384 |
| Net Imports (possible range) | 26 | | 125–145 | 129–259 |
| (probable range) | | | 142–128 | 185–203 |

* Includes stock changes for 1980.
Columns may not add due to rounding. 1 BCM = approx. 0·9 mt oil.
*Source:* International Energy Agency, *Natural Gas: Prospects to 2000*, OECD/IEA, Paris, 1982. Tables 19–20, pp. 99–100.

TABLE 2: Imports from non-EEC countries* as a percentage of total Natural Gas Consumption

| | 1980 % | 1985 % | 1990 % |
|---|---|---|---|
| Federal Republic of Germany | 34 (17) | 36 (17) | 48 (16) |
| France | 38 (9) | 54 (12) | 83 (15) |
| Italy | 28 (17) | 60 (18) | 68 (21) |
| Belgium | 21 (19) | 50 (18) | 56 (17) |
| United Kingdom | 21 (20) | 16 (21) | 16 (21) |
| EEC 10 | 26 (18) | 35 (18) | 46 (19) |

* Norway, Algeria, Libya, USSR.
Figures in brackets are shares of natural gas in gross inland primary energy consumption.
*Source:* EEC, *Communication from the Commission to the Council Concerning Natural Gas*, COM (81) 530 Final, Brussels, October 1981, Tables 1, 4 and 6.

tries will be importing a substantial and increasing proportion of gas consumption from outside the EEC.

While virtually all expert opinion would agree with the magnitude and direction of the figures contained in these tables, we should note the existence of an important dissenting voice. Professor Peter Odell has been a leading critic of government and company policies relating to the evaluation and development of North Sea oil and gas resources.[5] His long-standing claim that North Sea countries could be producing sufficient gas to make additional imports from outside the region unnecessary has recently been echoed in a report prepared for the US Department of Defense by a Geneva-based consulting firm.[6] This report (which bears the stamp of Professor Odell's work) takes the view that accelerated development of Dutch, UK and Norwegian resources could displace, at least, the additional imports of Soviet gas planned by continental European countries by 1990.

Perhaps the greatest disparity of views concerns the situation in the Netherlands—the traditional gas supplier for continental Europe. While the Odell view is that Dutch production and exports could be increased in the future, all other predic-

[5] Peter R. Odell, *North Sea Gas: An Under-Evaluated and Under-Utilised Asset*, Paper presented to the HYDROCARBONS '81 Conference, Great Yarmouth, February 1981.
[6] Energy Advice, *Alternative Strategies for Natural Gas in Western Europe*, Geneva, March 1982.

tions see the opposite development, with exports falling to near zero by the end of the century and the country (which already imports gas from Norway) steadily increasing its imports of gas.[7] This development is most serious for the security of West European gas supplies after 1985. The Groningen field in the Netherlands is not simply a very large accumulation of gas; its location and technical properties have made it possible to develop 'surge capacity', i.e. the ability to increase flows very considerably within a short period of time. The Netherlands is still Western Europe's most important gas supplier, providing around 40 billion cubic metres (BCM)[8] per year to six West European countries; moreover, a clause in certain of the contracts entitles the importing country to raise or lower the contract volumes (within certain limits), in order to gain flexibility in the event of shortfalls from other sources. It is this critical facility which may be lacking in the future, at the very time when gas supplies are becoming less secure, as Western Europe becomes increasingly dependent on countries outside the region.

The hope throughout Western Europe is that the traditional Dutch role can be assumed by Norway—a country with massive gas reserves already established and what is believed to be large additional potential in the offshore regions north of the 62nd parallel. However, for economic, political and technical reasons, there are doubts surrounding the ability and willingness of Norway to assume this role. Norway is a country of 4 million people with no current or projected consumption of natural gas. There has been much disquiet within the country about the severe distortion of the entire economy by the hydrocarbon sector: despite strong pressures from neighbouring countries on Norway to produce its mineral wealth more quickly, there is considerable feeling within the country that it would be best served by lower levels of production and export.[9] This is not to say that Norway will not produce natural gas (and oil) at an increased rate in the future, but Western Europe requires a very considerable increase in production capacity, which could only be achieved by opening up the giant 31/2 gasfield (or the more northerly reserves offshore Troms). The 31/2 gasfield is thought to contain at least 2 trillion (thousand billion) cubic metres of gas, putting it on a par with the Groningen field in the Netherlands which caused the gas revolution in Western Europe in the 1960s.[10] There, however, parallels with Groningen end. The field is a very difficult geological structure which contains a great deal of oil (as much as the Statfjord field). If the oil is to be extracted (and the technical difficulties of extraction cast doubt on its recoverability), this must take place before the gas is produced, otherwise it will be lost irrevocably. If it is decided to extract the oil, this would greatly set back the development of the gas. The 31/2 deposit lies more than 100 miles offshore in 1,000 feet of water which places the field at the margins of current technology and means that it will take a number of years to develop,

[7] See the Gasunie chart in Roger Vielvoye, 'LNG price parity with oil clouds future of European gas market', *Oil and Gas Journal*, 19 April 1982, pp. 41–5.

[8] 1 BCM is approximately equal to 0·9 mt of oil.

[9] Øystein Noreng, 'Friends or Fellow Travellers? The Relationship of Non-OPEC Exporters with OPEC', in Ragaei El Mallakh (Ed.), *OPEC: Twenty Years and Beyond* (Boulder, Colorado: Westview/London: Croom Helm, 1982), esp. pp. 198–201.

[10] EEC, *Communication from the Commission to the Council Concerning Natural Gas*, COM (81) 530, Final, Brussels, October 1981, p. 19.

at a cost much greater than for the North Sea fields currently in production. Moreover, it will be a difficult and expensive problem to develop surge capacity from this field; indeed, some would say that, given the complexity of the pipeline infrastructure and the need to operate from a number of offshore platforms, development of appreciable surge capacity will be impossible. Even if Oslo proves amenable to rapid development of the 31/2 field and the technical obstacles can be overcome, the time frame would begin to approach the mid-1990s. Even then, Norwegian surge capacity would not be sufficient to cope with a total cut-off of (presently perceived) deliveries of gas from the Soviet Union or Algeria at that time. *Given this situation, it becomes increasingly important to use the indigenous* resources of Western Europe in such a way as to maximize future security of supply.

While production in the continental European countries will inevitably decline, these nations can improve their security by conserving their domestic reserves to act as a buffer against an unexpected shortfall from another source. However, this action might require increased imports of non-European gas by all countries at an earlier stage than presently envisaged. Thus the decision of the Netherlands not to import Soviet gas (at least for the present) will mean that the country is using up its own reserves more quickly, thereby shortening the period over which it can continue to operate surge capacity for the benefit of the European continent.

## The UK

An important factor for the security of Western Europe's gas supplies is the possible future role of Britain. There has been considerable resistance from successive UK governments and from the British Gas Corporation (BGC) to the idea of a cross-Channel pipeline which might take gas to the continent. However, this concept ought to be re-evaluated in the light of UK and continental gas supply prospects. British resistance to exports is understandable; proven reserves are sufficient for 18 years of production, with the same quantity again in probable and possible reserves.[11] While this situation gives no immediate cause for concern, the UK is a very large gas consumer with around 20 per cent of consumption coming from imports. It cannot therefore be in the national interest to export UK gas when greater volumes of imports are actively being sought from as far away as the Middle East.[12] Indeed, there was much distress on the part of the UK Government and BGC when Norway awarded the gas from the Statfjord field to continental customers, despite a reported offer of a higher price from BGC.[13] This was always the likely destination for the gas since, in addition to the Norwegian desire to land the gas in their country in order to create employment opportunities, it was never likely that Oslo would be prepared to incur the political wrath of continental countries by boosting exports to the UK (with substantial indigenous reserves and

[11] Department of Energy, *Development of the Oil and Gas Resources of the United Kingdom, 1982*, HMSO, April 1982, p. 5.

[12] Ray Dafter, 'British Gas seeks LNG from Qatar', *Financial Times*, 8 April 1982.

[13] Sue Cameron, 'Norwegian pipeline decision political says British Gas', *ibid.*, 19 June 1981.

lready receiving nearly one-half of Norwegian exports), when other European llies, with small resources, were being forced to make difficult choices between the oviet Union and Algeria.

Only after the Storting decision to export Statfjord gas to the continent was iere a firm offer by the UK government to consider the possibility of re-exporting Iorwegian gas to the continent, if Oslo could be persuaded to reconsider its ecision.[14] Britain should have put this option on offer from the start of negotia-ons and, while this might not have been sufficient to change the Norwegian ecision, the absence of such a possibility was certainly a severe handicap to the ritish case. In the future, a cross-Channel link should be considered not as an xport project, but as a transit route for Norwegian gas and an aid to West uropean gas security. The fact that this will greatly enhance future British claims ) Norwegian gas supplies should make BGC happier, particularly if it should ventually mean that the UK might act as a major transit route for Norwegian as supplies. However, this case must be made and pressed with vigour before lternative proposals to pipe the gas through the Nordic countries become too far dvanced. If the UK remains divorced from the European gas grid, it will almost ertainly fail to secure significant additional volumes of Norwegian gas and thus lay become dependent on less secure imported gas supplies in the future.

### ecurity measures

The figures in Table 3 show the anticipated dependence of EEC countries on as supplies outside the region by 1990. The often quoted statistics that Western urope will be '20 per cent dependent' or the Federal Republic of Germany

TABLE 3: Share of total Natural Gas Supply from non-EEC Countries by 1990

| | Consumption* | Domestic production % | Algeria % | Norway % | USSR % |
|---|---|---|---|---|---|
| Federal Republic of Germany | 67·6 | 28·8 | | 14·0 | 34·0 |
| France | 46·7 | 7·3 | 20·0 | 6·0 | 26·0 |
| Italy | 48·1 | 18·1 | 26·0 | | 31·0 |
| Netherlands | 43·9 | ** | | 7·0 | |
| Belgium | 12·5 | negl | 38·0 | 22·0 | |
| UK | 66·3 | 76·0 | | 14·0 | |
| EEC 10 | 292·0 | 53·4 | 9·0 | 10·0 | 21·0 |

* Billion cubic metres.

** The Netherlands will be honouring export contracts through the end of the century and importing gas from third countries at the same time.

*Source:* EEC, *op. cit.*, Tables 1, 6 and 7. These figures reflect only contracts concluded or pending and are therefore lower than the likely degree of dependence anticipated in Table 2.

'ill be '30 per cent dependent' on Soviet gas by 1990 are meaningless unless ne knows the extent to which individual countries, and more important, indi-idual regions and consumers within those regions, are dependent on a single ›urce.

[14] 'Joint collection of North Sea Gas urged again by Minister', *ibid.*, 26 May 1981.

Natural gas is used in three major markets: electricity generation, industrial fuel and domestic heating and cooking. The present trend throughout Western Europe is to reduce the volumes of gas burned in power stations as it is felt that this is a grossly suboptimal use of a premium fuel. In the industrial sector, gas is projected to rise from 18·5 per cent of total consumption in 1980 to perhaps 25·2 per cent by the end of the century.[15] However, the real growth potential for the fuel is in the domestic sector, where the share of gas could rise from 18·5 per cent of total domestic energy use in 1980 to nearly 40 per cent by the year 2000.[16]

In the course of market expansion, certain regions and sectors will become exposed. In the debate over Soviet gas, particular concern has been caused by Bavaria's dependence on the USSR for 85 per cent of supplies. It is thought that, by 1990, some two-thirds of Italian households will be dependent on gas for heating and cooking. There are a number of ways in which regional and sectoral dependence can be offset: one is the development of 'interruptible customers' (usually power stations or large industrial concerns) which, in return for paying a lower tariff, accept the prospect of having to switch to an alternative fuel at short notice. It has been suggested that for the region as a whole, and the Federal Republic in particular, interruptible contracts should be boosted to 30 per cent of total supplies by 1990 (compared with an average of about half that figure in 1980).[17] (Domestic consumers are generally considered 'non-interruptible' because of the importance of the fuel for the essentials of living and the costs and difficulties of installing dual fired capacity in individual dwellings.)

Another important security measure is gas storage, where emergency supplies can be held in underground caverns (usually depleted gas fields) or peak shaving plants. This measure only applies to a limited number of natural structures and costs are considerable (gas storage costs are estimated at ten times the comparable figures for oil), but the Groningen field in the Netherlands is ideal and it has been suggested that, as the field becomes depleted, countries may wish to 'rent' storage space for supplies they can call upon at short notice.[18]

The other important aspect of domestic security measures is the provision of sufficient pipeline infrastructure to carry emergency gas supplies from one region to another. West Germany has the capacity to move large quantities of gas from north to south, and vice versa, in order to substitute for shortfalls of Soviet or Norwegian gas. More importantly in an international context, West Germany and the Netherlands were able to help France out during 1980/1 when Algerian supplies were discontinued for a year. All continental countries will need to expand security measures to safeguard their consumers, but these arrangements are expensive and the additional cost will inevitably affect the competitive position of the fuel. Although generalizations are simplistic, the concentration on West Germany (in the context of Soviet gas supplies) appears to have obscured the growing vulnerability of France and Italy, both with small domestic production

[15] IEA, *op. cit.*, p. 41. [16] *ibid.*

[17] Hanns W. Maull, *Natural Gas and Economic Security*, Atlantic Paper No. 43, Paris: Atlantic Institute of International Affairs, 1981, p. 57; also, EEC, *op. cit.*, p. 20.

[18] 'Europeans eye domestic gas fields for strategic buffer', *Petroleum Intelligence Weekly*, 10 May 1982.

and both with a potentially heavy dependence on Algerian and Soviet supplies in the 1990s.

### External suppliers

West European gas security will depend critically on the behaviour of external suppliers. Importing countries have to consider the possibility of political instability in the exporting country, political disagreement with the exporting country, technical problems (particularly associated with LNG and deep-water pipelines), and competing demand in the exporting country which may restrict the quantity available for export.

Political instability and the fall of the Shah's government in Iran sank the IGAT II project that was to have been a displacement arrangement by which Iranian gas exported to the Soviet Union would have been compensated by Soviet gas exported to Western Europe.[19] The strikes in the Norwegian gas fields in July 1980 and October 1981 may not count as political instability, but they were sufficient to disrupt deliveries to Britain and the continent for some weeks. Technical problems arising from offshore installations and deep-water pipelines have interrupted Norwegian deliveries in the past and there are fears that the Trans-Mediterranean pipeline (if and when it begins operating) may suffer similar problems. Soviet gas deliveries are invariably affected by cold winter weather, which has cut the flow to some West European countries by as much as 30 per cent over a long period.[20] LNG shipments are subject to technical hitches and it should be noted in passing that, despite the excellent safety record of the LNG industry, any major accident which caused public concern over safety, could halt trade for a protracted period.

However, the two most serious problems associated with natural gas trade have been price disagreements with Algeria and the anticipated political problem with the Soviet Union. In March 1980, Algeria unilaterally declared a doubling of its LNG prices for French and US customers and when it met with their refusal to pay the new price, both trades were discontinued.[21] The US trade never revived and, despite continuing efforts by subsidiaries, the major US company wrote off all assets connected with the trade, on the basis that it could not be started again.[22] Meanwhile, Algeria unilaterally cancelled LNG export projects with West Germany and the Netherlands.[23] The UK contract was not renewed because of failure to agree a new price.

In addition, the Trans-Mediterranean pipeline from Algeria (via Tunisia and

[19] Jonathan P. Stern, *Soviet Natural Gas Development to 1990: The Implications for the CMEA and the West* (Massachusetts: Lexington/Farnborough: Gower, 1980), pp. 79–80.

[20] Maull, *op. cit.*, pp. 29–30. These shortfalls do not violate the terms of the contract, they are always made up within a short period of time.

[21] There is no space here to explain the complexities of, and the controversy over, the principles of gas pricing in world trade. While this particular article is considering West European security objectives, that should not be taken to mean that there was no justification for Algerian actions.

[22] US General Accounting Office, *Implications of the US-Algerian Liquefied Natural Gas Dispute and LNG Imports*, EMD-81-34, 16 December 1980.

[23] *Middle East Economic Survey*, Vol. XXIII, No. 49, 22 September 1980.

Sicily) to Italy—the world's most ambitious deep-water pipeline project constructed at a cost of $3 billion—is stalled, nine months after the projected start, due to a price dispute between the two countries.[24] While it seems inconceivable that such a large asset will remain unused, it appears that, high interest charges notwithstanding, it could be more economic to abandon the entire project rather than pay the price being asked by Algeria. In the meantime, Algeria has settled contracts with France and Belgium, at prices which are above those commanded by fuels which compete with natural gas in the market place. Both contracts are part of larger trade packages which will secure important industrial projects in Algeria for companies in the importing countries. In the French case, where the government is paying 13·5 per cent of the cost of the gas directly, the desire of the new Socialist government to re-establish good relations with a former colony was paramount.[25] The French contract with Algeria has caused general dismay in Western Europe and goes directly against IEA and EEC recommendations (France is not a member of the IEA) on gas pricing in the West European market.[26] Not only is it feared that other countries will demand the same terms which Algeria has gained, but there is concern that the French have made major concessions to a country which has proved itself anything but a secure supplier of gas.

In the case of the Soviet Union, the controversy centres around wider questions of the advisability of entering into large-scale trading relationships with an adversary super-power.[27] The favourable interest rates which the Soviet Union has obtained from equipment suppliers, appear to be more than compensated by the comparatively low price of the gas—around $1 per million btus (or around $5·8 per barrel of oil) less than the Franco-Algerian contract—and the employment that the Soviet contracts create in the severely depressed steel pipe and process engineering industries in West European countries.[28] But the risks involved in the Soviet trade are that Moscow may decide to use the threat of severing gas supplies as a political lever. It has also been suggested that if Soviet and East European energy problems become too severe, the Soviet Union may not be physically able to fulfil its contracts. Against these arguments, one has to balance the excellent record of the Soviet Union as a supplier to Western Europe (the winter breakdowns excepted) and Moscow's motivation to safeguard the future of its trade in the commodity which, by the mid-1980s, will be the country's principal hard-currency earner. In addition, the degree of leverage which the Soviet Union would be able to exert on individual countries by virtue of supplying up to 35 per cent of their gas is unlikely to be sufficient to force a country into major political concessions.

## The choices for the 1990s

In effect, the course of natural gas trade in Western Europe up to 1990 has

[24] 'Gas price impasse keeps giant new Trans-Med line idle', *Petroleum Intelligence Weekly*, 7 December 1981.

[25] 'France allots part of Algeria gas cost to state budget', *ibid.*, 29 March 1982.

[26] IEA, *op. cit.*, esp. pp. 138–40; EEC, *op. cit.*, pp. 2–3.

[27] Stern, *East European . . .*, pp. 68–79.

[28] *Petroleum Intelligence Weekly*, 4 February 1982.

already been settled. The lead times for large gas projects are such that anything which is not currently under way almost certainly has no chance of being completed by the end of the decade. Large increments of Norwegian (31/2) and Algerian (SEGAMO pipeline to Spain) pipeline gas, and LNG from Nigeria and the Gulf, may be a reality in the 1990s, but not before. LNG from Canada and Cameroon will make only a marginal difference to the overall situation, even if it can be received within that time frame. Thus, although projects such as the Trans-Mediterranean and the Urengoy–Yamburg pipelines can break down, in the short to medium term nothing can replace them. Correspondingly, the lead times mean that if there are going to be large-scale projects to fill the anticipated demand in Western Europe in the 1990s, they must be started in the near future. The only expansion of deliveries which would take considerably less than a decade, would be additions (either in terms of another string of pipeline or extra compressor stations) to existing Algerian and Soviet pipelines; but, from a security standpoint, these developments would be the least favourable for continental countries. Ironically, the most attractive project from a security point of view—the Norwegian 31/2 development—has the longest lead time and requires the greatest volume of investment of any project under consideration. The investment required for the development and transport to market of gas from the 31/2 field will be such as to necessitate joint co-operation between countries which intend to benefit from future Norwegian gas supplies. This co-operation would need to be on a scale not yet envisaged in West European resource development. We are considering a field development and a pipeline transmission system for which the capital cost will be of the order of $30 billion.

It is also important to remember that these resources belong to Norway and that the country must be offered adequate incentives to develop its gas reserves at the speed required by its neighbours. These incentives and the volume of investment needed to develop the field mean that future Norwegian gas from 31/2 will be by far the most expensive gas yet delivered to Western Europe. There may be difficulties in marketing highly priced Norwegian gas in Western Europe while other countries, and notably the Soviet Union, will be able to offer gas in large quantities at a lower price than Norway. The conclusion must be that, unless there is a determination to enhance the security of gas supplies by joint action on the part of West European gas importers, and an understanding that secure supplies will need to command a higher price than available alternatives, a second Soviet or Algerian gas pipeline may be preferred to more secure, but expensive North Sea gas.

In the future, natural gas has the potential greatly to expand its market in Western Europe and will be welcomed as a clean-burning, environmentally acceptable diversification away from oil supplies. Up to the mid-1970s, the comparatively small volume of gas imported and the large reserves of the Netherlands meant that security considerations were not paramount. The task for the 1980s is to lay the foundation for the transition from the Netherlands to Norway as the major supplier and security buffer for West European gas consumers. This requires the immediate commitment of very large investments needed to develop Nor-

wegian resources and the acceptance that more secure supplies from Norway (possibly via the UK) may be much more expensive than available alternatives. If the actions and attitudes of West European importers fail to show an understanding of this situation, these nations will become increasingly dependent on the Soviet Union, Algeria and, perhaps, the Gulf.

While US efforts are concentrated on delaying incremental supplies from the Soviet Union, the real problem for Western Europe has been, and remains, Algeria. Even if the current dispute over the Trans-Mediterranean gas price is settled quickly and amicably, companies and governments would probably be hesitant to enter into additional large-scale projects with the country, given their experiences of the past few years. Urgent choices and decisions about its future natural gas supplies confront Western Europe. Inertia will mean that the region will forfeit the gas option entirely or risk substitution of insecure oil supplies by equally insecure gas. Given the options available, both these prospects are unattractive and avoidable.

# Petroleum: Malaysia's new engine of growth?

R. J. G. WELLS

THE 1970s saw a petroleum boom in Malaysia and the country moved from being a net importer of crude to a net exporter; as a result, Malaysia joined Indonesia as ASEAN's second oil producer of any magnitude. By the start of the 1980s, petroleum was making a significant contribution to gross foreign-exchange receipts and to government revenue and the foreign-exchange earnings from petroleum in 1980 were even to surpass those from natural rubber exports. The acknowledged key position of petroleum in the Malaysian economy by the beginning of the decade was manifest in the announcement last year that the government wished crude oil production to be raised by more than 5 per cent annually so as to assist in the financing of development projects under the country's Fourth Malaysia Plan, 1981–5. It is envisaged that crude oil production will increase from the 1980 level of 280,000 barrels per day (b/d) to 362,900 b/d by 1985.[1] The government expects oil revenue to provide almost half the finance for the Fourth Malaysia Plan's public expenditure programme.

On the other side of the equation, Malaysia has experienced a high rate of growth of energy consumption; during the period 1971–80, for instance, consumption grew at an annual rate of around 9 per cent. A very heavy dependence is placed on oil and, while energy conservation may be environmentally benign, it is unrealistic to expect a rapidly developing country such as Malaysia to reduce its energy usage in absolute terms. Moreover, much of its dependence is on imports since the light domestic crude has to be blended with imported Arabian crude in the ratio of about 30:70 to produce the appropriate mix of refined products. The bulk of Malaysian crude is exported at prices which are at a premium compared to both Arabian and Kuwaiti crudes, the price differential partly reflecting a quality difference since the low-sulphur light crudes from Malaysia are qualitatively superior to the heavy crudes. Price differentials are also influenced by geographic location and marketing margins.

Crude petroleum production in Malaysia increased at a rate of more than 31 per cent annually over the period 1970–80, from 17,969 b/d in 1970 to 280,000 b/d in 1980.[2] In the early part of the decade, production came mainly from four offshore oil fields in the East Malaysian state of Sarawak, but production increased

[1] Federation of Malaysia, *Fourth Malaysia Plan, 1981–1985* (Kuala Lumpur: National Printing Department, 1981).
[2] R. J. G. Wells, 'Malaysia oil—and after', *Round Table* (London), July 1981.

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after the discovery of commercially viable reservoirs in Sabah and in Peninsular Malaysia. Installed refining capacity in Malaysia has also undergone significant expansion from around 102,000 b/d in 1970 to 155,000 b/d in 1980.

## Foreign exchange earnings and revenue contribution

The volume of crude petroleum exports from Malaysia has risen rapidly, especially in the period since 1975 (see Table 1). The rapid expansion in the volume of exports, coupled with substantial increases in the price of crude petroleum led to an increase in its share of total commodity exports from only 3·2 per cent in 1970 to more than 24 per cent in 1980. It has become the single most important export commodity having surpassed natural rubber in the same year and is now one of the economy's major sources of finance. Crude exports are, furthermore, projected to increase to 13,708,000 tonnes in 1985 when their anticipated value would be $17,560 million. The major destinations are Japan, the United States and Singapore.

TABLE 1. Malaysian Exports of Crude Petroleum

| | Export Value (M $ million) | Export Volume (000 tonnes) | Petroleum Exports as % of Total Exports |
|---|---|---|---|
| 1970 | 164 | 3,642 | 3·18 |
| 1971 | 328 | 6,523 | 6·54 |
| 1972 | 170 | 3,188 | 3·50 |
| 1973 | 200 | 2,885 | 2·71 |
| 1974 | 483 | 2,327 | 4·92 |
| 1975 | 727 | 3,240 | 7·88 |
| 1976 | 1,550 | 6,417 | 11·53 |
| 1977 | 1,896 | 7,354 | 12·67 |
| 1978 | 2,247 | 9,153 | 13·14 |
| 1979 | 4,210 | 12,034 | 17·38 |
| 1980 | 6,757 | 11,855 | 24·27 |

*Source:* Ministry of Finance, *Economic Report, 1980–81* (Kuala Lumpur: National Printing Department, 1980).

Malaysia's crude, which is of a low-sulphur, low-gravity type, commands a premium over most other crudes including Arabian crudes produced by West Asian members of the Organization of Petroleum Exporting Countries (OPEC). Malaysian crude prices for the period 1971–81 are given in Table 2.

TABLE 2. Malaysian Crude Petroleum Prices, 1971–81*

| | US$ Barrel (fob) | | US$ Barrel (fob) |
|---|---|---|---|
| 1971 | 2·36 | 1977 | 14·10 |
| 1972 | 2·71 | 1978 | 14·23 |
| 1973 | 3·95 | 1979 | 21·09 |
| 1974 | 11·89 | 1980 | 35·53 |
| 1975 | 12·41 | 1981 | 40·90 |
| 1976 | 12·67 | | |

*Source:* Petronas.

*Average prices for Malaysian grades (Miri light crude, Labuan crude and Tembungo crude).

The contribution of crude oils to revenue is now substantial: in 1980, taxes on crude represented some 20 per cent of Federal Government revenue, in the pre-

vious five years it fluctuated between 7 per cent and 11 per cent. The introduction of a new duty on petroleum exports on 25 April 1980—it is levied at the rate of 25 per cent of the value of crude exports—coupled with expected further increases in crude prices, means that the tax offtake is likely to remain significant through much of the 1980s. In 1981, taxes on crude oil represented about a quarter of Federal Government revenue and over the Fourth Plan period a total of M$19·9 billion is expected to be raised from petroleum export taxes, royalties and income tax. Apart from its revenue raising function, taxation can also be used to regulate petroleum production to bring it into line with what society deems to be the optimal rate.

### Oil as an engine of growth

At present, if judged in terms of two important indicators—foreign-exchange earnings and revenue contribution—crude oil could be considered as a leading sector.[3] How long it remains one depends, *inter alia*, on depletion policy. It is true that there have been several revisions of estimates of Malaysian crude reserves, but, given the country's rapid rate of growth in energy consumption of an estimated 9 per cent annually, such reserves will probably be exhausted by the end of the century. Optimists point to the fact that normally crude reserves estimates are continually adjusted upwards due to such factors as new discoveries, improvements in the recovery rate and as knowledge of the reservoir characteristics become better known. On the other hand, it should be noted that the country is in an energy-intensive stage of economic development and the fact remains that at present the bulk of energy consumption is derived from oil. Indeed, recent estimates indicate that Malaysia's dependence on oil is a massive 96 per cent of total energy requirements.

Exploration, processing and trade in petroleum are largely dominated by multinationals such as Shell and Exxon,[4] although recently the State Oil company, Petronas, also entered into oil exploration through a wholly owned subsidiary, Petronas-Carigaly. Since 1976, the oil companies have operated profit-sharing agreements with the National oil company, although the change from the traditional concession type arrangement in 1974 and the introduction of nationalistic legislation initially soured relations between the oil companies and the government. Profit-sharing agreements, a concept pioneered by Indonesia, usually involve three distinct aspects: cost recovery clauses, a specified production split between the private oil company and the government, and the revenue offtake in the form of income taxes, export taxes or royalties. In the Malaysian case, the companies are allowed to offset 30 per cent of production for cost recovery and royalties[5] and the remainder is split 70:30 in favour of Petronas. The income-tax rate levied on companies is 45 per cent.

[3] The conceptualization of the notion of 'leading sector' is usually attributed to Rostow. See, for instance, W. W. Rostow, *The World Economy* (London: Macmillan, 1978).

[4] In addition, Caltex, Mobil and British Petroleum (BP) are significant in petroleum distribution and marketing in Malaysia.

[5] Royalties are split in equal proportions of 5 per cent to the Federal Government and 5 per cent to the relevant state government, i.e. the one which is in closest proximity to the oil reservoir.

As regards crude oil reserves, Malaysia is not especially well endowed by world standards. Initial estimates of recoverable oil reserves of 1 billion barrels have been revised upwards—the latest estimate is 2·84 billion barrels—but even so are small, estimated to be the 22nd largest in the world, compared with the West Asian producers or even with Indonesia whose proven reserves exceed 15 billion barrels. Malaysia is, however, fortunate in that its 're-entry problem'—the shift from self-sufficiency in oil to net imports—will be greatly eased by its possession of the world's 12th largest reserves of natural gas. These are thought to total about 36 trillion cu. ft or 6 billion barrels of oil equivalent. The country also has a substantial hydro-potential to ease its switch away from fossil fuels.

## Conclusion

In the modern economic history of Malaysia, there have been several claimants to the role of 'leading sector' or 'engine of growth'. Tin was the first aspirant and the substantial level of the economically recoverable reserves of that mineral in the Kinta Valley was a major factor in attracting Western commercial interests to the country. Natural rubber—brought to Malaysia via Kew Gardens, London, and surely an example of the 'successful' international transfer of technology *par excellence*—undoubtedly laid claim to the title 'leading sector' for most of the twentieth century. However, in the 1960s and 1970s, the rapid growth of palm oil and timber production meant that the dominance of the economy by rubber was greatly reduced; by the 1980s, petroleum had emerged as a new claimant for the role of leading sector in the Malaysian economy.[6] The petroleum boom has provided renewed opportunities for the rapid development of the economy and petroleum revenues are to be used to finance the further industrialization of Malaysia. Petroleum gross foreign-exchange receipts have helped moderate a worsening in the balance-of-payments position and the development of petroleum related activities has given a much needed boost to the economy of the poor east coast state of Trengganu.

Too much euphoria should not, however, be generated over these developments for, by world standards, Malaysia's oil reserves are relatively insignificant. At current rates of extraction and assuming no new discoveries, the oil resources are likely to be exhausted by the mid-1990s. Prices of crude are falling and even OPEC sources have intimated that they do not envisage an increase in real terms for several years. The current glut of crude on world markets implies that if producers such as Malaysia are to dispose of their crude it will probably have to be at declining prices. Thus, in view of the country's rapid rate of growth of energy consumption, it might be prudent for planners to assume that petroleum will be a very short-lived 'engine of growth'.

[6] Structural changes in the Malaysian economy are discussed in R. J. G. Wells, 'Malaysia: a successful case of growth with redistribution?', *The World Today*, October 1981.

# Islam in Colonel Qaddafi's thought

EDWARD MITCHELL

WESTERN comment on the Libyan Revolution of 1 September 1969 and on the revolutionary regime since then has frequently attributed to it a substantially Islamic character. Martin Kramer, for instance, in *Political Islam* speaks of Saudi Arabia and Libya together as 'accomplished Islamic orders'.[1] The writer believes such views to be mistaken.

It will be generally agreed that, at least after the first year or so in power, the ideology and policy of the regime is to be found exclusively in the statements of Colonel Muammar Qaddafi. It is his thought and attitudes this article considers.

## Islam and the Revolution, 1969–72

Qaddafi prepared the first public announcement of the revolution in haste and broadcast part of it impromptu. It contained no reference to Islam except in its description of Israel as 'the enemy of Islam', coupled with an illusion to the recent fire at the al-Aqsa mosque in Jerusalem, and in its description of the struggle against the Italians as being for Libya, Arabism and Islam. Its vocabulary suggests that Islam was of marginal significance in his political thinking. It was a later pronouncement that stated *inter alia* that the Revolutionary Command Council believed 'profoundly in the freedom of religion, and in the moral values contained in the Koran and it promises to defend these and to uphold them'.[2] (The closure of the Christian churches made it clear that by 'religion' only Islam was meant.)

The bulk of the leadership's initial pronouncements was in exposition of the slogan 'Freedom, Socialism, Unity'. This slogan was that of the Egyptian revolution, and the conspirators had studied the writings of Jamal Abdul Nasser until they knew them by heart; the interpretation of the slogan was therefore Nasserist. Freedom meant 'the demolition of the monarchy and the evacuation of foreign bases. . . Libya has become free.'[3]

Socialism was defined as social justice. 'Theoretically speaking, socialism means here that nobody should have a lot of capital and be very rich and be able to exploit the people. Socialism does not mean the final elimination of class differences.'[4] The revolutionaries stressed that socialism did not contradict Islam, because Islam called for justice and 'we are calling for social justice'.

[1] *The Washington Papers* (Beverly Hills/London: SAGE Publications, 1980), Vol. VIII, No. 73, p. 78. Compare also the chapter-heading 'Religion as Politics' in Ruth First, *Libya: The Elusive Revolution* (Harmondsworth: Penguin, 1974).

[2] Mirella Bianco, translated by Margaret Lyle, *Gadafi: Voice from the Desert* (London: Longman, 1975), p. 67.

[3] Qaddafi, quoted in a bilingual (Arabic/English) Libyan News Agency publication, *Revolution in Action September 1969–1970*, n.d., p. 5 of the English text.

[4] Qaddafi, quoted in Ruth First, *op. cit.*, p. 130.

The author is a British student of international affairs.

Some of the definitions given of socialism specifically described it as Islamic, others as Arab; these adjectives seem in this context to be used interchangeably and to mean, first, that Marxism is not implied, secondly, that private property is not condemned and, thirdly, that those who had made fortunes under the previous regime were to be dispossessed in the interests of the people as a whole. They do not imply any particular Islamic content in the idea.

The third element in the slogan, Unity, was seen by Qaddafi very much in terms of the liberation of Palestine; he stressed the historic desire of the Arabs for the unity of the Arab world from the Ocean to the Gulf, and spoke of it as an inevitable necessity, constituting the solid road to the Holy Land. This unity he defined over and over again in Arab terms; he was not advocating the unity of Islam or invoking pan-Islamic ideas at all.

On 28 September 1970, Nasser died and the source of external ideological inspiration for Qaddafi was cut off. Meanwhile the revolution had completed its first year. Qaddafi had weathered a couple of conspiracies and consolidated his pre-eminence. Freedom, that is, the expulsion of the British, the Americans and the Italians, had been achieved; socialism was on the way, with new large schemes for economic development and social welfare; and so was unity, with the Tripoli Charter of 27 December 1969. It was not immediately obvious that the aims of the revolution had been defined in such limited terms, at least as regards freedom and socialism, that they were not going to be difficult to realize. But this was so. The initial slogan was not going to be enough.

For some time Qaddafi had been aware that a continuous revolution was what he wanted. And he had been acknowledging that, for him, Islam was one such continuous revolution.[5]

On the feast of Id al Fitr towards the end of 1971, Qaddafi preached for the first time in the principal mosque of Tripoli. This was a move of considerable interest, which seems to have had no parallel in Islam at the time.[6] He was symbolically asserting the identity of religious and civil interests, which is orthodox Muslim doctrine; but for a layman to preach simply because he represented the civil power must have shocked the orthodox.

From this time on, and for several years, there seem to have been more invocations of Islam in Qaddafi's speeches than before and more discussions of religious topics. He continued to preach in the mosque. This period also saw the creation of the Call of Islam Society (*al-dawa al-islamiyya*) and the Supreme Council of National Guidance. The latter, under Qaddafi's chairmanship, discussed the terms of legislation, published by a decree of 11 October 1972, imposing the *hudud* penalties of traditional Muslim law, including amputations for theft. (It should be noted that, according to *The Guardian*, such penalties had not been applied by

[5] 12 December 1970, quoted in *Middle East Record 1969–70* (Jerusalem), Vol. V, 1977, p. 976.

[6] However, *BBC Summary of World Broadcasts*, Second Series, ME/6869, 2 November 1981, reported 'the politico-religious Friday prayers in Tehran' which were addressed by Mr Musavi, the Prime Minister, who is an engineer by training, and *The Times*, 23 October 1981, reported that Mr Vellayati, a doctor who had been nominated and rejected as Prime Minister of Iran, 'addressed last Friday's Tehran prayers session'.

February 1975 and no evidence is available that amputation has ever been introduced.)

This expansion of his public discussion of religion, however, revealed the frequently controversial and unorthodox character of Qaddafi's Islam. In a speech in 1970, he advocated the translation of the Koran into all languages; in a speech in 1973, he asserted that according to the Koran all monotheists are Muslims and that all distinctions between those who believe in Muhammad or in Jesus should be abandoned.[7]

Qaddafi's pronouncements on Islam have been condemned by other Muslims for a number of reasons: sometimes they bear no relation to Islam as it is generally understood, like the proposition just quoted; sometimes they equate things with Islam which are plainly not Islam, like Arab nationalism; sometimes, they twist Koranic citations out of context in an improper way; above all, they sometimes quite clearly represent nothing but Qaddafi's personal ideas, which are then pronounced to be part of Islamic doctrine on no authority but his. In specifically rejecting the authority for the faithful of the traditions of the Prophet, he was going against all orthodox Muslim teaching.

It is worth stressing the heterodoxy of what Qaddafi calls Islam because some authors have taken a somewhat different view. For instance, Daniel Pipes asserts that Qaddafi's is a 'purified' version of the principal teachings of the Grand Sanusi, founder of the Sanusi religious order in the nineteenth century: 'The Libyan revolution is a revolution to reform Islam, and acts to reform Islamic religion.'[8] According to Nicola Ziadeh,[9] the Grand Sanusi taught that a man may understand Islam in his own way, but also that he must find support for his understanding in the Koran and the traditions of the Prophet. Ziadeh stresses that Sanusi teaching was traditional and conventional, and indeed describes it as an escapist movement. No doubt, Qaddafi had a similar concept of it in mind when he described the Sanusiya to Mirella Bianco as 'aristocrats'; on that occasion, he certainly dismissed any suggestion that they had influenced his thinking.[10] Indeed, there is no evidence of any interest on his part in the teachings of the Grand Sanusi. Moreover, there is no evidence at all that the purpose of the Libyan revolution in 1969 was to 'reform Islam' in the sense of removing unworthy innovations, though Qaddafi has since then set himself to propagate a new version of Islam.

### The Third Universal Theory: 1972–6

In October 1972, Qaddafi addressed the Arab Socialist Union on the philosophy of the Libyan revolution and presented it as a third theory, alternative to capitalism and communism. This was to become the generic name he gave to all his teaching, however much it might change or be expanded; it appears, for instance, still in the title of *The Green Book, Part III*, of 1979: *The Social Basis of the Third Universal Theory*. No document or speech can be cited as the primary authoritative text of the theory before the publication of *The Green Book*, which began in 1976; indeed,

[7] Mu'ammar al-Qadhafi, *The Battle of Destiny* (London: Kalahari, 1976), pp. 1–11.

[8] Daniel Pipes, 'The Islamic revival of the seventies', *Orbis*, Vol. 24, No. 1, Spring 1980, pp. 9–41.

[9] Nicola Ziadeh, *Sanusiyah* (Leiden: Brill, 1958).

[10] Bianco, *op. cit.*, p. 84.

Qaddafi's early formulations of it bore little resemblance to *The Green Book*. They were based on a new triad: religion, nationalism and socialism. Such formulations were entirely consistent with Qaddafi's earlier encomiums of Islamic socialism and Arab unity. Liberal capitalism and Marxist-Leninism were seen as rejecting religion; the Third Theory was presented as inspired by Islam.

Several international meetings were arranged in Libya during 1973 to promote wide international knowledge and acceptance of the theory, and Kalim Siddiqui has published a fascinating account of the World Conference of Islamic Youth held in Tripoli in July that year. Although the participants had been invited by the Call of Islam Society, it was strictly under political control; despite this, the Secretary-General of the Call of Islam Society intervened to attack 'intellectual terrorism from any quarter' (meaning his own Government), and the overseas delegates expressed their total opposition to the presentation of the Third Theory, both in title and content. 'Delegate after delegate refuted the claim that nationalism was sanctioned by the Koran or that socialism could be deduced from the Holy Book', Siddiqui reports, and he sets out in detail the arguments they used.[11] In the end, the conference passed a resolution expressing its sympathy with Qaddafi's wish to find Islamic answers to contemporary social, economic and international problems but asserting that Islamic terminology, as found in the Koran, the traditions and the jurisprudence, is the best to express such answers 'so that it may be distinguished from the other terminologies of the other theories and dogmas which are contaminated' by meanings foreign to Islam.[12] It was clear that the Third Theory would not, despite its emphasis on religion, gain acceptance from Muslims uncommitted to Quaddafi.

Of all the phases of Qaddafi's thought, this is the most difficult to get to grips with and the least susceptible of illustration by quotation. His speeches in the first half of 1973 might perhaps be summarized as follows: All history is the product of religion and nationalism. Both stem from the truth revealed in the Koran. All true religion is Islam and nationalism is the will of God. Islam teaches the recognition that man is free. It is the duty of the State to promote that freedom, both political and economic, internally and externally, and to fight against all that denies it, such as imperialism, capitalism, communism and Zionism. Since the Third International Theory, which embodies the philosophy of the Revolution, is based on Islam, it is true and everyone must believe it; if they do not, they must be punished. Unity is an expression of support for truth and any rejection of it must be a denial of truth. Since Muslims support truth they must be right and their opponents must be wrong.

At the same time, Qaddafi was at pains to assert the application of the Third International Theory to the whole of humanity: 'the Third International Theory is based on religion and nationalism—any religion and any nationalism. . .We do not present Islam as a religion in the Third Theory. For if we do so, we will be excluding from the Third Theory all the non-Muslims, something which we do

[11] Kalim Siddiqui, *Towards a New Destiny* (Slough: Open Press for the Muslim Institute for Research and Planning, 1974).

[12] *ibid.*, p. 33.

not want. In the Third Theory, we present the applications of Islam from which all mankind may benefit.'[13] That is to say, non-Muslims may keep their own religion but they should follow 'the applications of Islam', as incorporated in the Theory. This suggests that the functions of Islam in the Theory are primarily to legitimize it, and to some extent, to provide a vocabulary for it. Even in Qaddafi's eyes, Islam is not of the essence of the Theory except in so far as he regards all true religion as the same as Islam.

As the Third International Theory was being propagated, a new institutional initiative was launched. Having cancelled the Second Annual Congress of the Arab Socialist Union, due in March 1973, Qaddafi renewed, in April, on the Birthday of the Prophet, his call for a cultural, or popular revolution. All existing laws were to be abolished; all perverts and political deviationists, among whom the Muslim Brothers were particularly mentioned, were to be imprisoned; arms were to be distributed to the masses; there must be an administrative revolution to destroy the bourgeois and the bureaucracy; the teaching of the Prophet must be applied and all imported poisonous ideas must be got rid of. Above all, popular committees must be established to take over every Libyan department except the Revolutionary Command Council and the Ministries. Qaddafi felt the people were inert; they must be forced to govern themselves; 'and at that moment it is I who will find myself in opposition in the sense that I shall have the right, for example, to tell the elected Popular Committees that they have not expressed the general will in a suitable manner.'[14] In accordance with this vocation, he relinquished, on 6 April 1974, the political and administrative responsibilities he had held, while remaining Head of State and Commander-in-Chief, in order to devote himself to ideological work. On the following New Year's Day, he sent messages to many Heads of State urging them 'to re-read the teachings of Christ to find there once more the voice saying "Give up Palestine, South-East Asia, Ireland, Germany and the African colonies"'[15]—Qaddafi's withdrawal from affairs was over. He continued to tinker with the revolutionary institutions and to complain at the lack of popular revolutionary fervour. Every Libyan was now to be a member of the Arab Socialist Union and it was to have a 618-member General National Congress, which held its first session in January 1976.

By this point in the revolution, two trends have emerged. One is that Qaddafi's response to the lack of revolutionary enthusiasm he constantly perceived has been *ad hoc* and institutional, not really ideological, in character. One of his most attractive traits is his wish to get people to work out the answers to problems themselves; he has a taste for long theoretical discussions in public. The trouble is that he is inclined to rule out of order any discussion of fundamental issues, which tends to trivialize the argumentation. His response to the inevitable superficiality and the lack of enthusiasm has been, and continues to be, to organize a new kind of meeting. That is, the structure becomes the ideology and the forms are

[13] *Thus Spoke Colonel Moammar Kazzafi* (Beirut, 1974), p. 2, quoted in Lisa S. Anderson, 'Religion and politics in Libya', *Journal of Arab Affairs*, Vol. I (1981), No. 1.

[14] The accounts of this speech in First, *op. cit.*, p. 137, and Bianco, *op. cit.*, p. 93 ff, are not identical.

[15] *Le Monde*, 5–6 January 1975.

offered as self-justifying, with no reference to their content. This trend foreshadows the current importance of the slogans 'Committees Everywhere' and 'No Democracy without People's Congresses.'

The other trend is that he has aroused the antagonism of the clergy on the grounds set out already, as his own pronouncements on Islam have become more and more heterodox. In a sermon on 2 May 1975,[16] he instructed all *imams* in Libya to refrain from discussing social and political matters in their sermons. An occasion for the expression of his own views was the Christian–Muslim Dialogue held in Tripoli in February 1976, and attended by Cardinal Pignedoli, then head of the Vatican Secretariat for Non-Christian Religions. Qaddafi told the delegates that he would speak frankly on religion 'not from the Muslim point of view but from my own', warning that he would disagree with many and agree with many others. 'There is the Koran, and there are the Muslims; the Koran is one thing, and the Muslims are something else. Muslim beliefs, especially in this modern age, are not completely identical with what is stated in the Koran.'[17] Such statements could not but be offensive to the faithful.

## The Green Book[18]

*The Green Book, Part I*, when it appeared later in 1976, contained no reference to Islam, and no reference to the Koran or the traditions of the Prophet. Setting out his 'Solution of the Problem of Democracy', it referred to religion (*din*): 'Religion, embracing tradition, is an affirmation of natural law.' 'The natural law of any society is either tradition (custom) or religion. Any other attempt to draft law for any society, outside these two sources, is invalid and illogical.' Qaddafi's definition of the law he wants is circular and the identification of religious and natural law does not assist analysis. In *The Green Book, Part II*, he asserts that 'Natural law has led to natural socialism'; there is no reference to religion. In *The Green Book, Part III*, he states, 'The sound rule is that every nation should have a religion.' The word for nation used here—*qaum*—is generally applied to the Arabs as a whole, not to Libyans in particular or Muslims in general. In his subsequent discussion of religion as the common factor in 'a state embracing several nationalisms', Qaddafi apparently envisages religion as a political factor which will eventually be defeated by nationalism (the social factor), so that the dismemberment of such states will ensue. 'The essential factor is the social factor. It is the permanent factor, namely nationalism.' The inference must be that religion is of lesser importance.

The final reference to religion in *The Green Book, Part III*, is in the discussion of education: 'Societies which prohibit the teaching of religion as it actually is are reactionary societies, biased towards ignorance and hostile to freedom. Societies which monopolize religious education are reactionary societies; biased towards

[16] Quoted in Marius K. Deeb, 'Islam and Arab nationalism in Al-Qaddhafi's ideology', *Journal of South Asian and Middle Eastern Studies*, Vol. II, No. 2, Winter 1978, p. 17.

[17] Full-page advertisement by the Libyan Embassy in *The Guardian*, 15 April 1976.

[18] Mu'ammar Al Qathafi, *The Green Book*, one-volume English language edition (Tripoli: Public Establishment for Publishing, Advertising and Distribution, printed in Spain, n.d., possibly 1980).

ignorance and hostile to freedom. Equally reactionary and biased towards ignorance and hostile to freedom are the societies which distort the religions, civilizations and behaviour of others in the process of teaching these subjects.' It is difficult to avoid the conclusion that Qaddafi is here attacking those reluctant to teach what he himself has defined as religion, particularly the traditional clergy (*ulema*) and their Koranic schools. But it is equally difficult to avoid the conclusion that Islam, whether defined in orthodox terms or in Qaddafi's, played no significant role in the composition of *The Green Book* or in the development of the ideas it contains.

Much of it is concerned yet again with institutional innovation. Part I sets out a scheme for the organization of direct democracy on the basis of 'Committees Everywhere', since 'Representation is Fraud' and there is 'No Democracy without People's Congresses.' These basic popular congresses refer topics to a General People's Congress, which in turn submits what it has dealt with to them. In accordance with this scheme, the General National Congress of the Arab Socialist Union became the General People's Congress, which first met in November 1976, and approved proposals for constitutional change in March 1977. The Revolutionary Command Council was transformed into the General Secretariat of the General People's Congress and Ministers and Ministries were replaced by Secretaries and Departments. The name of the country was also changed to the Socialist People's Libyan Arab Jamahiriya.

*The Green Book* is a remarkable document. Qaddafi told the Italian journalist Oriana Fallaci that it was 'the new gospel. . . In your gospels it's written: "In the beginning there was the word." *The Green Book* is the word. One of its words can destroy the world. Or save it.'[19] It offers with enthusiasm in a very simple accessible style a number of insights into the values and possible methods of direct democracy and a non-capitalist society. Captain Rifi Ali Sharif (not a member of the Revolutionary Command Council), who was at school with Qaddafi in Sebha in 1960 told Mirella Bianco that the basic ideas Qaddafi was putting across in the speeches he made then (aged 18) were identical with those he advocated after he had become Head of State.[20] He has himself asserted that *The Green Book* is the fruit of many years of consideration. It can be assumed therefore that its principal ideas are deeply rooted, but that does not necessarily mean that they are rooted in Islam. Although in his speeches Qaddafi purports to call Islam in aid to support his secular philosophy, the Islam he invokes has been modified to fit that philosophy. In his writings, he does not invoke Islam at all.

He himself has said 'I was conditioned by my origins. . . The way I look at the outside world is the way of one who was born and raised in a desert environment.'[21] He gives great place in *The Green Book, Part III*, to the tribe as an important intermediate social structure between the family and the nation; he had observed earlier in *The Green Book, Part I*: 'One seldom finds people who do not belong to a tribe'. A number of features in his thought echo *bedu* traditions. Meanwhile 'all young Libyans have been taught that the Libyan political system is nearer

[19] *New York Times Magazine*, 16 December 1979.
[20] Bianco, *op. cit.*, p. 19. [21] *ibid.*, p. 81.

than any other to Athenian popular democracy of the classical period.' So much for Islamic precedents.[22]

Since 1979 there have been a number of administrative reforms, including the establishment of revolutionary committees. These developments have no connexion with Islam, though Islam is still invoked by Qaddafi as the inspiration and basis of his actions. He continues to preach on political subjects. A Secretary of the General People's Committee (that is, Minister) for Islamic Affairs was appointed for the first time in January 1980. A new Muslim calendar was introduced in 1978, starting from the death of the Prophet in AD 632 and thus 10 years different from the normal Muslim system of dating. All Muslim charitable land endowments (*awqaf*) have been confiscated with the abolition of property rights in land. A number of clergy have been arrested for being reactionaries and all are forbidden to speak on political subjects; some suspect Qaddafi of the sacrilege of thinking himself a new Prophet, and can quote statements by him to support their suspicions. He replies by attacking obscurantist Muslims who 'identify technological progress and socialism with heresy, either because of their backward mentality or in order to protect their capitalist interests'.[23]

## Conclusion

In drawing on Islam for the vocabulary of policy in the early years of the Revolution, Qaddafi was drawing on the only developed tradition Libya had. The King having been discredited, Qaddafi had to look for another symbol of national unity. He could not invoke directly the traditions of the *bedu*, which he, as *The Green Book* shows, felt deeply, because the majority of the people were settled. Nothing else but Islam had survived the Italian occupation. Islam was a badge of national self-identification and self-assertion against what he perceived as aggression from Italy, the West in general and, above all, Israel. It was also a basis for the new rulers' claim to legitimacy—not only juridically, but personally. The egalitarianism of Islam needed invoking to support the revolutionary officers, who lacked the social and educational standing of the previous élite. Above all, Islam offered the only language in which Qaddafi knew how to express himself.

With the years, and with growing self-confidence, it seems that Islam has grown less necessary to him. The unity of Libya, the self-assertion of Libya, the identity of Libya today can all be expressed in Qaddafi. He has given Libya a new philosophy, that of *The Green Book*, and a new pride, in himself. This new civic religion might be compared in some respects with the cult of Ataturk in Turkey. In fulfilling this role, he only needs Islam in order to remind himself that what he believes and does must be right because he is devout. His practice of preaching in the mosques is not only the best evidence of his urge to take the place of organized religion as the guiding and motivating force in the country, but also of his wish actually to alter the content of that religion.

[22] See J. Davis, 'Qaddafi's theory and practice of non-representative government', *Government and Opposition*, Vol. 17, No. 1, Winter 1982.
[23] Id al Adha Sermon, *Le Monde*, 13 November 1978.

PRINTED IN ENGLAND BY POPPER & COMPANY LTD, WELWYN GARDEN CITY, HERTFORDSHIRE

# THE WORLD TODAY

SEPTEMBER 1982

Note of the month

... defence policy after the Falklands

LAWRENCE FREEDMAN

The OAS and the Falklands conflict

**THE WORLD TODAY,** *founded in 1945, is issued under the auspices of the Royal Institute of International Affairs and published monthly by the Oxford University Press*

**Annual subscription** *Vol. 38 (1982)*
(post free)
*UK £12*
*US $34*
*Elsewhere £15*

**Single copies**
(post free)
*UK £1.20*
*US $3.40*
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*Orders may be sent to booksellers and newsagents or to the Oxford University Press, Journals Department, Walton Street, Oxford OX2 6DP, UK. Tel. 0865 56767*


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CHATHAM HOUSE



ISSN 0043-913-

ROYAL INSTITUTE OF INTERNATIONAL AFFAIRS

# THE WORLD TODAY

EDITOR: LILIANA BRISBY
EDITORIAL SECRETARY: JEAN PELL

September 1982 Vol. 38 No. 9

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Manuscripts and correspondence should be addressed to the Editor, *The World Today*, Royal Institute of International Affairs, Chatham House, 10 St James's Square, London SW1Y 4LE.

# Note of the month

## FALKLANDS FALL-OUT

ONLY the Union Jack, returning to the Falklands in the course of 're-possession', was the same; few other things in the South Atlantic, and indeed far beyond it, were left unchanged by the Falklands war. In the course of any settlement, questions cannot but arise about the meaning of 'de-colonization', particularly in the Latin American context, and about the status, world-wide, of 'historical' and 'geographic' claims to territories. What arrangements might be right for the future administration of Antarctica and the Seas around it and the status of claims to sovereignty in the region, is also central to any settlement. For better or for worse, intentionally or by default, answers to these questions will be emerging in the next few months.

When President Galtieri of Argentina told the Italian journalist Oriana Falacci (*The Times*, 12 June) that it was the *sentiment* of the Argentine nation which propelled its forces into action, he was, of course, right. But that 'sentiment' owed much of its force to a peculiar Latin American legal doctrine which, in effect, claims that no state in South and Central America (and presumably in the Caribbean) is truly legitimate unless it is a successor state to the Spanish or Portuguese Empires. The doctrine is traced back to the papal bulls *inter caetera* and *dudum si quidem* and to the *Treaty of Tordesillas* of 1494, which divided the world between the Spanish and Portuguese Crowns; its application to post-Bolivar South America was confirmed by the *Congress of Angostura* in 1819 (as a rather tougher precursor to the Monroe Doctrine); and it was reiterated at the Ninth International Conference of American States in 1948. During discussions of the United Nations General Assembly Decolonization Resolution (No. 1514), which enshrines the right to self-determination of dependent peoples, Latin American representatives tried to claim that 'the principle of self-determination must not be perverted for the purpose of maintaining *de facto* situations.' In combination, these assertions meant that only states derived from Spanish or Portuguese colonization are legitimate, and that non-Iberian colonial or post-colonial states are not. (The possibility that the eight- or nine-million-strong indigenous population[1] of South America might establish legitimate states is also excluded; they, too, would not have the correct derivation from Spain or Portugal.)

This doctrine has, in fact, not been accepted by the United Nations and, given its colonialist (almost racist) content, it hardly could be. However, the legalistic verve and historicism of the Latin American lawyers on the subject of the Falkland Islands have been such that the United Nations Decolonization Sub-Committee has sought to escape them by requiring Britain and Argentina to discuss the matter bilaterally, but *always* in the light of General Assembly Resolution 1514. This establishes the principles under which de-colonization is to take place. The

[1] Hugh O'Shaughnessy and Stephen Corry, *What future for the Amerindians of South America?*, Minority Rights Group, Report No. 15, new edition, London, 1977.

'inalienable right' of dependent peoples to self-determination and independence is the lode-star of the Resolution, and Article I declares unambiguously that 'the subjection of peoples to alien subjugation, domination and exploitation constitutes a denial of fundamental human rights' and 'is contrary to the Charter of the United Nations'.

To avoid this awkward language, Argentine and other Latin diplomats like to argue that the Falkland Islanders are 'not a native population, [are] not a colonized population . . .' (but then neither are the Argentines) and that all that is meant by Resolution 1514 is that 'sovereignty should be returned to the people from whom it had been usurped'—in this case the Argentines!

The Argentine invasion of the Falklands brought two issues to a head in the United Nations. One is this matter of the Latin American doctrine, and its validity when it conflicts, as fundamentally it does, with the Charter of the United Nations and its de-colonization procedures. Under the atavistic, but inappropriate, banner of 'anti-colonialism', its Latin American Chairman (Fidel Castro) and its Latin members, have sought to line up the Non-Aligned Movement behind Argentina's, in fact colonialist, claim.

May the Latin Americans, to the extent that they have supported Argentina, have purged themselves of restraint over the use of force in settling territorial claims? If Argentina's claim to the Falklands under the Latin doctrine held good, so would Venezuela's to parts of Guyana and probably to Trinidad; so would Guatemala's to parts or all of Belize. (Indeed, Guatemala's new strong man, General Rios Montt, denounced all existing agreements with Belize.) The status of ex-Dutch Surinam, of the remaining British Colonies, of the Caribbean parts of France, and of the various non-Hispanic independent states in the Caribbean would all be put at risk. This clearly cannot be the intention of the non-aligned movement. As that often sagacious magazine of Third World opinion, *South*, pointed out in an article on the Falklands crisis in its June issue, 'in a Third World splattered with territorial disputes, small nations fear the voracious appetite of their big neighbours': Venezuela is Guyana's 'big neighbour', Vietnam is Kampuchea's.

It must be very much in the interest of peace in the South Atlantic, and elsewhere, that Britain should make much clearer than it has so far, that its purposes have not been, and are not, 'colonialist'—that is, concerned to retain a people in dependence against its will. (All parallels with Suez are entirely inapposite.) On the contrary, British objectives, unlike those of Argentina, have been and are fully in accord with the United Nations Charter *and* with United Nations de-colonization procedures. Independence for the Falklands would meet the case; but, if the new state is to have Latin American guarantors, it will be necessary for them to abjure the Angostura Doctrine. The Pope could help, by proclaiming that the United Nations Charter now takes precedence over his predecessors' Bulls.

The second issue the Argentine resort to force has brought to a head, is the status, in the light of the United Nations Charter, of all the innumerable unresolved territorial claims made on 'historical' and 'geographic' grounds. The Chinese government has recently responded at length and with many dates to a long

Vietnamese White Paper documenting Vietnam's claims to the Paracel and Spratley Islands in the South China Sea. Malaysia and the Philippines have previously joined in with claims of their own and may well do so again.

To the extent that, at least in its propaganda, the Soviet Union has admitted Argentina's not very good 150-year old claims to the Falklands, the Soviet government may now find it more difficult to refuse to discuss Japanese claims to the four northern islands it seized in 1945 (and has since heavily militarized). Or, for that matter, China's claims to territories seized in the nineteenth century. And what about the Soviet Union's western borders, also established by force, in recent years, at the expense of sovereign states?

There are some 20 known boundary disputes in Africa, and some ten within the Latin community of nations in South America; disputes which presumably account for the high expenditures on arms and for what appear to be two nuclear weapons programmes contrary to the Treaty of Tlatelolco of 1967 (which is intended to exclude nuclear weapons from the whole area). Not to speak of the Middle East.

In Europe, the battle of dates and documents erupts every ten years or so over the nature and status of Macedonia, mainly between Yugoslavia and Bulgaria, but with Greece and Albania intervening.[2] No one expects the dispute to break into war, but it plays a part in Soviet plans to intimidate Yugoslavia; just as Soviet claims and activities in the Barents Sea and in the de-militarized Svalbard Archipelago exert pressure on the Norwegians. Other unsettled boundaries and disputes in Europe include Rockall, the Western Approaches to the Channel, Cyprus, Gibraltar, the seas around the Aegean Islands, the status of certain islands in the Baltic, etc.

A glance at the map of the world in 1830 shows what opportunities for mischief international recognition of 150-year old claims would licence and what risks to stability and peace any acceptance of the use of force. (Mexico, as it happens, then reached as far north as Oregon; Alaska belonged to the Russians; Patagonia was still in the hands of its Indians; as for the British Empire. . .)

National liberation is one thing, closely linked with the de-colonization process, and with the right of people to self-determination. Quite another matter is the urge to re-establish, say, Greater Bulgaria or Greater Vietnam or Greater Argentina within its historically maximum boundaries: this is sheer folly and the international community needs to repeat that it is. The only safe doctrine is the old Roman one of '*uti possidetis, ita possidatis*' (i.e. 'as you possess, so may you possess'), corrected by the processes of the self-determination of peoples.

The third issue that the long-term settlement of the South Atlantic Islands faces us with is Antarctica and its Seas. It is clear that ordinary ideas of national sovereignty cannot sensibly be transported into that extraordinary and vulnerable environment, and that those who have staked full sovereign territorial claims there had better amend those claims into something more appropriate, which can command the approval and co-operation of other interested parties. These parties

[2] See Patrick Moore, 'Macedonia: perennial Balkan apple of discord', *The World Today*, October 1979.

have to include, not only the 14 Antarctic Treaty Signatories (only seven of whom have made sovereign claims), but the rest of the international community as well.

These Polar areas, North and South, are vulnerable to misuse, within the areas themselves and from afar. As 1991 approaches, when the Antarctic Treaty comes up for review, Britain's interests and intentions should be considered very carefully. Might it be in our interests to submit South Georgia and the South Sandwich Islands to the existing de-militarized regime by 'bending' the area of application some 10°N? Is there already ground for concern at Argentina's too military, insufficiently scientific, presence in the sector it claims (which overlaps with sectors claimed by both Britain and Chile)? Are inappropriate 'facts' being established with a view to a declaration of unlimited Argentine sovereignty in nine years time? Will Britain (and Nato) gain more or less from an internationalization of the Polar regions, North and South, or from further militarization? Can the Reagan Administration's Latin American experts look beyond the Communist threat in the hemisphere to an altogether more complex and longer-term set of problems? How far could the (generally agreed) provisions of the Law of the Sea Convention or the Svalbard Convention (which governs the Spitzbergen Archipelago) be extended or paralleled to fit the bill?

The temptation will be, after our brave, expensive, and mostly solitary, stand, to go on defending our rights unaided. That might be a mistake: we could well have more friends than we think; and if, during the next few months, we can help nudge the world towards greater stability and simple justice we shall probably find those friends at our side.

ELIZABETH YOUNG*

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# British defence policy after the Falklands

LAWRENCE FREEDMAN

ON 15 June 1982, the Argentine garrison in Port Stanley surrendered. The war[1] of the Falkland Islands was over after two and a half months of intense activity, including six weeks of heavy fighting during which well over 1,000 men died. For the British Army this was the heaviest fighting since Korea—for the Royal Navy since the Second World War. It was an unexpected and rigorous test of the British services from which, by and large, they emerged with credit. The government, too, gained in popular standing from the conflict. This was despite that fact that the outbreak of the war could be seen as a result of a major foreign policy failure and the reliance on the Royal Navy in its prosecution as an indictment of established defence policy.

This article is not concerned with the course or the causes of the war. The focus is solely on the war's implications for future defence policy.

## British defence policy

The history of British defence policy is of an attempt to reconcile the mismatch between resources and commitments. The reconciliation is often achieved temporarily but it never seems to last. The inexorable rise in equipment costs pushes up the price of defence while the economy refuses to generate the extra funds necessary to keep pace. The problem can only be managed by the government allowing defence spending to grow at a rate faster than that of the overall economy or by reducing forces. The current government has followed both these methods: the defence budget has been growing by something close to 3 per cent a year at a time when other public expenditure has been held down and the growth in GDP has been negative.[2] Yet, despite this comparatively generous allocation, it has still found it necessary to take hard decisions on defence priorities. After a sharp debate in the spring of 1981, the Secretary of State announced a revised defence programme that came out in favour of sustaining the British Army of the Rhine at the expense of the maritime contribution to the Eastern Atlantic.[3]

The reviews which have punctuated defence policy-making with great regularity throughout the post-war period have all revolved around three distinct issues:

[1] War was not officially declared as is now normally the case. The desire to avoid the full legal and political implications of a declaration of war led to the extensive use of euphemisms to describe the conflict. What happened clearly was a war, if the term is to have any useful meaning at all, and that is how we shall describe it.

[2] By way of illustration, this financial year (1982–3) will be the first since 1968–9 when expenditure on defence is higher than that on education. *The Government's Expenditure Plans, 1982–83 to 1984–85*, Cmnd 8494–II (March 1982), pp. 91–2.

[3] *The United Kingdom Defence Programme: The Way Forward*, Cmnd 8288 (June 1981).

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should Britain concentrate on the Soviet threat to Europe or should it still be prepared to get involved in conflicts elsewhere in the world? Within the Nato area, should Britain's main contribution be made on land or at sea? In addition to conventional forces, should Britain stay in the business of maintaining strategic nuclear forces?

Over time, the logic has pushed successive governments towards stressing the 'continental commitment'. For the defence reviews of the mid-1960s and mid-1970s, the greatest scope for savings came with a geographical contraction—in particular, relinquishing defence responsibilities 'East of Suez'. In 1979, the new Conservative government appeared to hanker after a renewed involvement in military activities outside the Nato area. It devoted some space in its first Defence Estimates to a consideration of the need for a greater intervention capability. In February 1981, the Prime Minister even appeared to promise substantial involvement in the Rapid Deployment Force (RDF) planned in the United States. However, in Parliament, the Secretary of Defence, John Nott, explained that the government was considering only 'modest use of force to protect the interests of friendly local states and the West in strategic regions'.[4] The Defence Estimates of the next month played the issue down: 'Reinstatement of the former British presence "East of Suez"... is no longer either a political or an economic possibility'... 'Resource *constraints and our primary responsibility to* Nato *rule out any idea of creating* a substantial standing "intervention force".'[5] In June 1981, in *The Way Forward*, the main nod in the direction of wider defence interests was in provision for improving parachute assault capabilities and a special equipment stockpile, and also in announcing a resumption of substantial naval task groups being sent on long detachment for visits and exercises in the South Atlantic, Caribbean, Indian Ocean and further East.

The government resisted the temptation to expand Britain's defence commitments overseas. This ensured that the budgeting problem it faced was not exacerbated. However, there was no scope for contraction in this area and that had to be found by choosing between the continental and maritime contributions to the Alliance. In June 1981, it was decided that there was to be a reduction in the numbers of destroyers and frigates from about 60 to 42 (including eight to be withdrawn to standby) and also in dockyard capacity. One divisional headquarters of the British Army on the Rhine (BAOR) was to be removed. Only the RAF escaped lightly while the Navy took 57 per cent of the cuts in planned expenditure.

It was thought by many at the time that these cuts had been made necessary by Trident. Certainly the government's determination to replace Polaris with the latest generation of submarine-launched ballistic missiles did push the strategic nuclear force into a prominent position in the budgetary projections. This prominence was in itself quite novel. In the 1957 Defence White Paper, the stress on nuclear forces was seen as a way of reducing the burden of conventional arms, almost as the substitution of an unusually efficient form of firepower for a less efficient one. By the defence reviews of the 1960s and 1970s, the allocation to the

[4] *Hansard*, 17 March 1981.
[5] Statements on the Defence Estimates 1981, Cmnd 8212–I (April 1982), pp. 30, 32.

nuclear force was so minimal (under 2 per cent for much of the 1970s) that there was little financial incentive to reconsider nuclear policy.

It has only been with the capital cost of replacement of Polaris that the question of priorities between conventional and nuclear forces has had to be faced. However, the profile of expenditure on Trident meant that it did not loom large in the short term and so its cancellation would not have made it possible to avoid the choices between conventional capabilities that were made in 1981. The last defence decisions made prior to the Falklands War were in March, when the government announced a decision to buy the more advanced D-5 version of Trident (as against the C-4). Although, along with inflation, this raised the capital cost from £5 billion to £8 billion, it also changed the incidence of cost so that the main burden is now to fall later in the 1980s, with expenditure of only about £300 million by 1984.[6]

### The debate

Thus defence policy prior to April 1982 can be seen as following Nato orthodoxy by concentrating on land and air forces capable of blocking a conventional invasion of West Germany, backed up by a nuclear deterrent. Therefore, the most significant feature of the Falklands War was that it was fought well out of the Nato area and with the Royal Navy the lead service. It was precisely the war for which Britain was planning least.

In an age of deterrence, there would be something terribly wrong if it came to be necessary to fight the war for which one was planning most. Nevertheless, the unexpected nature of this war and the reliance on the service that the government was about to run down inevitably led to accusations of strategic myopia. The Falklands War was presented as a lesson in the nick of time, before the senior service was rendered wholly incapable of coping with such eventualities.[7]

The experience has encouraged a revisionist critique of government policy which argues that some way must be found of preserving and even enhancing the surface fleet. Conservative revisionists would prefer this to be done by increasing defence spending: Labour revisionists by scrapping Trident. Revisionists in both parties seem prepared to see substantial cuts in BAOR if necessary to fund the Navy.[8] Labour front-bench spokesmen are very much of this opinion. Britain now appears to be the only country in which the left-wing party is the Navy party.[9] This perhaps

[6] See my analysis of the Trident II decision appended to First Special Report from the Defence Committee Session 1981–82, *Strategic Nuclear Weapons Policy*, HC266 (April 1981).

[7] In fact, of the 42 warships deployed in the task force, only six were on the disposal list. *Hansard*, col. 236 (6 July 1982).

[8] Conservative MPs with sea-faring constituencies are to the fore of the revisionist ranks. See, for example, the article by Alan Clark, MP for Plymouth, in *The Times*, 10 July 1982. There is also a distinct Gaullist strand in the opposition to BAOR. See the book by Michael Chichester and John Wilkinson, MP, *The Uncertain Ally: British Defence Policy, 1960–1990* (London: Gower, 1982). Wilkinson is now Parliamentary Private Secretary to the Secretary of Defence, which is curious in that his book is by and large an attack on Mr Nott's policies. An earlier version of the anti-BAOR case is found in James Bellini and Geoffrey Pattie, *A New World Role for the Medium Power* (London: Royal United Services Institute, 1977). Mr Pattie is now Under-Secretary of State for Defence Procurement.

[9] In the Parliamentary debate on the Defence Estimates, the former Prime Minister, James Callaghan, observed approvingly, 'When I listen to my own Front Bench, I begin to feel that we are becoming a Navy party', to which the Front Bench Defence Spokesman, John Silkin,

is because the Navy is the service most associated with a capacity for independent action and this nationalist appeal strikes a chord in the modern Labour Party.

During the Falklands War, the Secretary of Defence insisted that the 'broad strategic thrust' of government policy was to be maintained. As an act of defiance after the conclusion of hostilities, he published an unamended Defence White Paper which took no account of the events of April, May and June (including listing as operational a number of ships sunk by Argentina) and consists largely of spelling out the detail of established policy. Despite this, there are reasons to believe that the war will have important consequences for defence policy irrespective of any changes in the broad strategic thrust.

A new White Paper will be published before the end of 1982 considering the relevance of the experience for defence policy, but this will most likely address itself to second-order rather than first-order questions. The main reason why some changes are to be expected are financial and political. The war involved three distinct costs: the immediate use of fuel, ammunition and other stocks and the requisitioning and chartering of merchant ships; the loss of key items of equipment such as warships, aircraft and helicopters that will require replacement over time; and the establishment and maintenance of a garrison on the Falklands. The Treasury has agreed that these costs will be met from outside the funds allocated to the Ministry of Defence. However, there are a number of reasons why the story may not stop at this. First, the Treasury may have unwillingly agreed the principle but they have yet to agree the detail. So far the costs have been presented in rather broad terms: some £570 million in 1982–3, and over £200 million in at least the two years after that. Secondly, as these figures indicate, this is not a one-off commitment. The bulk of the costs will have to be met in 1982–3, but there could still be spending on warship replacement some five years from now while the Falklands garrison itself is a somewhat open-ended commitment.

As time passes by, and perhaps particularly after another election, it will become increasingly difficult to separate Falklands-related defence expenditure from the rest. Indeed, it is already difficult to separate the two. Consider, for example, the garrison on the islands. Once the first costs of new airfields, barracks and so on have been met, the annual running costs may be under £100 million, rather than the multiples of that figure which have appeared in some unofficial estimates. The amounts depend on the final composition of the garrison which has yet to be announced but is rumoured to be some 3,000 troops and supporting staff, with one squadron of Phantoms and a hunter-killer submarine and a couple of frigates close at hand. If the garrison is of this form, then it is larger than any overseas garrison other than that in Germany. Moreover, in Hong Kong and Brunei a substantial amount of the cost is met by the host country. Does the Falklands account cover the extra costs of maintaining forces in the South Atlantic or does it also cover the costs of replacing the forces assigned to these new duties? Is there to be additional recruitment? On the answers to these questions will depend much of the shape of the defence budget.

On the naval side, there is not going to be straight one-for-one replacement and

replied 'We are'. *Hansard*, col. 176 (6 July 1982). The only senior Labour MP to speak against this trend was Dr John Gilbert, a former Deputy Secretary of Defence.

part of the effort to keep up numbers over the next few years means that three old destroyers, *Fife*, *Glamorgan* and *Bristol*, which were to be taken out of service are now to be retained, so the type of expenditure is going to be very different than if there had been no war. Furthermore, there are clear indications that measures will be taken to ease some of the political pressure on the government from the 'Navy lobby'. So far, this has amounted to rescuing two symbols of the campaign. HMS *Endurance*, the ice-patrol ship whose withdrawal, announced in 1981, is widely believed to have sent the wrong signal to Buenos Aires as to British intentions, is to continue its patrols in the South Atlantic. It is not altogether clear why this is necessary for defence purposes if there are now to be patrols by frigates and submarines.

More significantly, the government has agreed with the Australian government that the latter's planned purchase of the Anti-Submarine Warfare Carrier, HMS *Invincible*, which was a vital component of the Task Force, will not go ahead. Keeping HMS *Invincible* along with its two sister ships, the recently completed HMS *Illustrious* and HMS *Ark Royal*, which is currently under construction, involves a substantial change of policy. Instead of having two carriers, there will now be three so that two can always be on patrol. The role of these carriers was central to the whole debate over the 1981 Defence Review. Mr Nott made little secret of his view that their construction had been a mistake because this left very little money for the weapons to be placed on these carriers or the escorts required to accompany them.

It may be that the deferment of some of the Trident expenditure to later in the 1980s, as a result of the D-5 decision, has given Mr Nott some room for manœuvre, and that the agreement with the Treasury will ensure that there are no extra burdens on the defence budget over the next few years. However, over the medium term it is hard to avoid the conclusion that the seeds are being sown of yet another major budgetary crisis for not long after the next general election—even assuming that a future government wished to follow current expenditure plans of annual rises in defence spending of 3 per cent in real terms up to 1986 and 1 per cent thereafter. The effects of the Falklands War may be delayed, but they will be severe enough when they arrive.

### Priorities

There seems little prospect that the defence budget will be allowed to rise even higher, so the conclusion is that the battle for defence resources, which appeared to have been settled decisively against the Navy in 1981, is not only to be refought but that another turn of the budgetary screw may force it to be even more intense. Before considering the revisionist critique that argues for a reversal of priorities in the conventional area, we will consider the possible relevance of the Falklands to the argument for a reversal of priorities between conventional and nuclear forces.

Only CND appears to believe that any conclusions can be drawn from the fact that Polaris was irrelevant to the Falklands War. Given reports of Argentine work on nuclear weapons, those searching for scenarios to justify a British nuclear force might find one in some horrific twist to a future Falklands War. In general, however, the strategic issues in the Trident debate remain the same as before. If my

analysis is correct concerning the financial pressures, then it may be that the factors working against Trident will intensify. It will never be the case that money released by abandoning Trident will support for long substantial conventional forces. The government has suggested that future Soviet leaders are more likely to be deterred by an invulnerable second strike SLBM force than by 'two additional armoured divisions with 300 extra tanks . . .', given that the Warsaw Pact already outnumbers Nato in tanks by some 30,000.[10] Mr Silkin, for the Opposition, has spoken of two dozen carriers or 50 frigates which looks fine until one considers recurring operational and manpower costs, which would soon dwarf capital expenditure.[11] It is also the case that, in the short term, expenditure on Trident is not sufficiently high for its cancellation to provide substantial savings. However, the picture may look a lot different later on in the decade, as the government of the day faces the budgetary crisis postulated earlier in this article just as the main burden of Trident expenditure begins to hit the defence budget.

This question of short-term savings has also helped to save BAOR in the past. Large-scale reductions of forces would cost money in the short term because of the need to either make men redundant or build new barracks. If they are to be accommodated in Britain, yet still assigned to Germany, then there would be the question of maintaining facilities and pre-positioned stocks in Germany. Nevertheless, after a few years, there could be significant savings and there would be immediate benefits in terms of the balance of payments. It is not really good enough to justify BAOR simply on the basis of the perverse short-term impact on expenditure of attempting to scale it down.

There are both military and political arguments to support BAOR. The military arguments point to the Soviet preoccupation with Central Europe and its build-up of arms facing Nato, and the value of forces-in-being. The Navy may be vital if reserves are to reach the front-line but only if the front-line can hold long enough for the battle not to have been lost by the time the reserves arrive. The political arguments turn on the symbolic importance of a British contribution to the defence of Germany by other members of Nato. It may be that a cut-back of say 20,000 of the 55,000 troops could be tolerated, but less so if this triggered a proportionate US response. There are once again powerful political pressures building up in Washington for cutting back US forces in Europe. Many Senators would be anxious to follow a British example.

The revisionist case has also rested on a political assessment—of the ease with which an understanding could be reached with the allies on shifting the main burden of Britain's defence effort and of the character of the contemporary Soviet threat which makes it necessary to look beyond Europe to other potential trouble-spots. For those of this opinion, the Falklands War added another argument: the Navy is the only service with the ability to carry a substantial force to another part of the globe to respond to unexpected threats.

[10] *Statement on the Defence Estimates, 1982*, Cmnd 8529-I (June 1981), p. 3. The government may be overstating its case here. Elsewhere in the Defence White Paper, it takes pride in the number of manned tanks in Germany rising from 469 to 590 since 1979 (p. 9), but the derisory way it talks of an extra 300 provides argument for those questioning existing force levels in Germany. If it makes little point to have 900, why bother to have 600?

[11] *Hansard*, col. 1076 (1 July 1982).

### The 'lessons' of the Falklands

This brings us to the 'lessons' of the Falklands. There was undoubtedly much discovered about the performance of individual weapons or types of command structure and about the validity of peace-time training and tactical analysis. Our concern here is with whether there are any lessons to guide defence policy at a more fundamental level.

There is a tendency to look at any conflict for pointers to some decisive trend in modern warfare, for example, demonstrating that a particular category of weapon is on the ascendancy. The Falklands War did confirm suspicions of the vulnerability of the surface fleet to almost any kind of air attack. However, it is probably unwise to generalize too much from the experience: there are too many specific factors of geography, climate and terrain and too many variations in qualities and capabilities for confident statements. It was not always the advanced weapons that did the damage—much was done with machine guns and gravity bombs. Where technical edge was important was in coping with the most lethal instruments of the modern offence: hunter-killer submarines (SSNs) and aircraft with stand-off ground-attack missiles. The relevant equations involve capacities for detection, interception and protection. The one dramatic use of torpedoes from a submarine (the sinking of the Argentine cruiser *General Belgrano*) demonstrated that the Argentine Navy had none of these capacities when facing SSNs and so thereafter it prudently stayed in port. The British had something in each capacity for dealing with aircraft, with the major deficiency being in detection (early warning). This was sufficient to avoid disaster but not enough to avoid severe casualties.

The most interesting 'lessons' are in reminding us of how important the factors of location, terrain and climate remain and how decisive the human factor can be. It is a reminder not to get overawed by lists of forces purporting to represent a military balance (or imbalance) or by 'laws' which dictate the proper ratios of attacking to defending forces if the former is to succeed. We were shown what can be achieved by training, physical stamina and tactical ingenuity. The war, therefore, did not signal a revolution in warfare. Indeed, it is hard to imagine under current conditions a less revolutionary war!

Nor is there any reason to suggest that a new pattern is in the process of being set at the level of grand strategy. It certainly represented a break in the pattern of recent British campaigns. Despite a common view that British forces have been reasonably idle since Suez, except for Northern Ireland, they have, in fact, been quite busy—Northern Ireland represents a continuation of the sort of campaigns with which the Army had already become familiar. These campaigns—in Kenya, Cyprus, Aden and Borneo—had involved intervention on behalf of civil authorities in conflicts that have typically been highly charged politically. The enemy has had to be found in jungles or separated out from the civilian population. Casualties have often been severe but sustained in dribs and drabs over time rather than in single engagements.

By contrast, the Falklands War was short and sharp, with comparatively distinct and unambiguous political and military dimensions. The enemy was of a sort almost designed to secure maximum political consensus in Westminster; a white, fascistic military dictatorship with reasonably sophisticated forces, whose only

powerful friend was more friendly with Britain. At issue was British territory and all the symbolism of sovereignty rather than something vaguely referred to as 'vital interests'. Allies helped, but this was a national matter and was dealt with by national means. In the fighting itself, civilians only became a complicating factor towards the end and then much less than had been feared. For both sides, the war had to be limited, not only because for neither was the survival of the nation at stake, but also because of geography. Argentina was fighting at the limit of its air range and could not pour extra men and equipment into the conflict. Britain was even more constrained by range and the size of the available task force. This was never going to turn into a prolonged war of attrition.

It was, therefore, a war that Britain had to fight alone because only British interests were involved and, because it was inherently limited, Britain could fight alone. It supports the view that one must always prepare for the unexpected because trouble can pop up anywhere, yet on reflection it is hard to imagine many other circumstances in which Britain would be so uniquely implicated in such an unusually limited and winnable war. To the extent that such circumstances can be imagined, they involve the Caribbean and Latin America where are to be found most of the remaining territories administered by Britain, as well as Belize on which a garrison remains after independence to help defend it against Guatemala.

## The revisionist case

To what extent, therefore, can the case against the 1981 Defence Review draw on the Falklands War for compelling arguments? The case against the 1981 Review has not, on the whole, been based on a fear of the unexpected but on an assessment of the Soviet threat: that through the expansion of its own Navy, the USSR is in a position to threaten not only Nato's supply routes across the Atlantic but also the vital oil supply routes from the Gulf to the West. The pre-occupation is with the Indian Ocean rather than the South Atlantic, with the USSR rather than with adventurist Juntas and with threats to the West as a whole rather than just to Britain.

The Falklands War gives no support to this case. The importance of the images of 'Britishness' evoked by the assault on the Islands and the sending of the Task Force raise questions as to the ease with which there could be a similar rallying of support to send men to Arabia to keep oil flowing. The extent to which sending such a force would be absolutely dependent on concerted action with our allies has implications for force requirements. A point can still be made about the flexibility of navies but not too much. As a concession to this global view of the threat, *Invincible* and other ships vital to the success of the Task Force, were destined to travel off to the Indian Ocean after Easter 1982 to 'show the flag'. If General Galtieri had waited a bit longer, the assembly of the Task Force would have taken much longer and it would have arrived in even more inclement weather. The delay might well have been decisive.

The vital role of the Navy in carrying to the South Atlantic the wherewithal to retake the Islands would not necessarily be duplicated in other conflicts. In more

land-locked conflicts, it would be necessary to rely on RAF Transport Command or, more likely, US transports. Moreover, the war leaves substantial anxieties concerning the vulnerability of the surface fleet. With the exception of the few *Exocets*, which were used impressively, the Argentine Air Force was not particularly well prepared for anti-ship operations. By dint of the bravery of the pilots as much as the quality of the weapons, they were able to score a number of hits. If their bombs had exploded when they ought to have done, the consequences could have been disastrous. The undoubted British successes against the Argentine Air Force cannot hide the fact that this was by no means the most advanced threat the Royal Navy must prepare to meet, nor that the two Type 42 Destroyers lost were advanced in design and assigned to air defence roles.

In the United States, the Secretary of the Navy, John Lehman, has countered arguments against his massive naval shipbuilding programme by arguing that his ships would never be so vulnerable. The reason, he explains, is the extended air cover to be provided by the large *Nimitz*-class carriers. It is probably the case that, with more aircraft of longer-range than the Sea Harriers with the Task Force, casualties could have been severely reduced. But this is of little comfort to the Royal Navy. The last large aircraft carrier, HMS *Ark Royal*, left service in 1979. Whatever changes in direction are achieved in the British defence budget, there will be no room for the £2 billion a piece *Nimitz*-class carriers. The options for numbers of destroyers and frigates are within the range of 40, as envisaged in 1981, and possibly some 60–70 by 1990 if the Royal Navy was extremely lucky. Whatever the decisions of the next few years, there will be severe limits in the future to the tasks that the Royal Navy can take on without the benefit of either land-based air cover or the forces of allies. For the Navy, the answer is therefore not to allow its supporters to exaggerate its potential flexibility or independence of action, but to stress what it can do when working with the navies of our allies.

The Falklands War has opened up the debate concerning the balance of Britain's military capabilities, and has disturbed the financial background to that debate. I have argued in this article that it does not provide in itself any reason for changing the basic direction of British defence policy, which is not to say that there are no reasons for such a change.

One unhelpful after-effect of the war is that a certain unreality may be entering the debate as to what Britain can achieve alone in the military sphere. The benefits of alliance are being taken too lightly. It may be that Britain's allies would welcome a greater stress on maritime forces, even at the expense of BAOR. There would be no harm in exploring the possibility along with the viability of participation in Rapid Deployment Forces. For their part, the allies may want to know if we expect comparable distractions to the Falklands in the future. There would be no justification for a series of unilateral measures taken in the belief that, as an island with a fine maritime tradition, we know how to look after ourselves without the help of others.

# The OAS and the Falklands conflict

GORDON CONNELL-SMITH

WHEN Argentinian troops invaded the Falkland Islands on 2 April 1982 it was assumed in Britain that firm support would be forthcoming from the United States. Apart from the merits of the British case, the United States was Britain's closest ally in Nato, and, of course, there was the traditional 'special relationship' between the two major English-speaking countries. When, therefore, after voting in the United Nations Security Council for Resolution 502 calling for Argentina's withdrawal from the islands, the United States government seemed to be assuming the role of mediator rather than that of firm supporter, there was no little concern and resentment in Britain. It was not widely appreciated that the United States was the ally of Argentina as well as of Britain, and, moreover, had a special relationship with Latin America which would be affected by the position it adopted in the Falklands dispute. The alliance in question was the Inter-American Treaty of Reciprocal Assistance, signed at Rio de Janeiro on 2 September 1947 (more than eighteen months before the conclusion of the North Atlantic Pact), and the special relationship has been embodied since 1948 in the Organization of American States (OAS), with its headquarters in Washington, D.C.

## From Monroe Doctrine to Rio Treaty

But the idea that the countries of Latin America stand in a special relationship to the United States (the essence of 'Pan-Americanism') goes back very much further than 1948. It is implicit in the famous Monroe Doctrine. In 1823, President James Monroe had postulated an 'American system' separate from that of Europe, and declared that the United States would regard as a threat to its own peace and security an extension of the European political system[1] to any part of the Western hemisphere. Significantly, he asserted at the same time that, while the United States would not interfere with existing European colonies in the hemisphere, it was opposed to any such colonies being established in the future. Ten years after Monroe's declaration—and in apparent disregard of it—Britain took possession of the Falkland Islands.[2]

It was not until much later in the nineteenth century that the 'inter-American system', comprising the United States and the Latin American republics, came

[1] The European system to which Monroe referred was monarchical, as opposed to American republicanism. Today the threat is seen as coming from the Soviet system ('international Communism').

[2] Actually, it was a reoccupation. But this article is not concerned with the origins of the dispute, nor with the merits of the claims involved.

Professor Connell-Smith, who holds the Chair of Contemporary History at the University of Hull, has written extensively on the OAS and has attended many of its meetings. His most recent visit to the headquarters of the organization was in the spring of this year, just before the Argentinian invasion of the Falkland Islands. He subsequently visited a number of Latin American countries, where he was able to assess reaction to the crisis.

into being on Washington's initiative.[3] The United States promoted Pan-Americanism in order to gain Latin American support for its own national policy, enshrined in the Monroe Doctrine, of preventing extra-continental 'intervention'[4] in the Americas. In 1890, when the International Union of American Republics was formed, with a permanent agency in Washington (later the Pan-American Union), the United States was not greatly involved in world affairs. Very soon—beginning with the Spanish-American War of 1898—that was to change. Even so, and in spite of its participation in the First World War, it was not until after the Second World War that the United States came to play an international role commensurate with its power. Among other global commitments, it joined the United Nations, as did the Latin American countries. At the same time, the American republics agreed to put the inter-American system upon a treaty basis, and to conclude a collective security pact, both undertakings to be in harmony with their obligations as members of the new world body. The agreements were: the Charter of the Organization of American States, signed at Bogotá on 30 April 1948; and the Rio Treaty, concluded nearly eight months earlier.

The Inter-American Treaty of Reciprocal Assistance proclaims itself to accord with Article 51 of the United Nations Charter, which recognizes 'the inherent right of individual or collective self-defence if an armed attack occurs against a Member of the United Nations, until the Security Council has taken the measures necessary to maintain international peace and security'. The treaty is to operate as a collective security pact against an armed attack occurring within a defined region.[5] This region embraces North and South America, together with Greenland, the Arctic and Antarctic regions adjacent to the North and South American continents, and all of the area lying between. Within it are the Falkland, South Georgia and South Sandwich Islands, under British sovereignty but claimed by Argentina. In a statement included in the Final Act of the Rio conference (at which the treaty was signed), Argentina reaffirmed its claim to these islands. Whereupon the United States recorded its position that 'the Treaty of Rio de Janeiro has no effect upon the sovereignty, national or international status of any of the territories included in the region.'

Argentina was not the only Latin American country to make such a statement: Guatemala reiterated a claim to Belize, or British Honduras as it then was. Moreover, although it did not make a comparable statement on this occasion, Venezuela laid claim to more than three-fifths of the territory of neighbouring British Guiana, now the independent state of Guyana. The claimants in these cases declared the territories in question to be 'occupied' by the British and vestiges of 'colonialism'. The Latin American countries as a whole have criticized the continued existence of European dependencies in the region and, therefore, have been

[3] For a history of the inter-American system and the OAS, see Gordon Connell-Smith, *The Inter-American System* (London: OUP for RIIA, 1966).

[4] 'Intervention' is the most emotive word in the vocabulary of relations between the United States and Latin America. Latin Americans have been more concerned about US intervention in their affairs, whose justification generally has been to forestall extra-continental intervention.

[5] The Rio Treaty also provides for defence against aggression other than by armed attack. Consequently, it has been invoked against 'Communist subversion'.

generally sympathetic to these claims—even though the latter are based upon Spanish imperialism and involve denying the right of self-determination to the peoples in the territories concerned.[6] The matter of European dependencies and 'occupied territories' has continued to be raised within the OAS.

The wider international environment in which the OAS has been functioning has not been favourable to it. The divergence of interests between the United States and the Latin American members of the organization, inherent in the vast imbalance of power betwen them, has become increasingly more marked. In the immediate post-war period, as the Cold War developed in other parts of the world, Latin America was regarded by United States leaders as a low priority area. The Latin Americans were not allies in the sense that the West Europeans were: no military organization on the lines of Nato was built upon the Rio Treaty. Much the greatest share of US economic aid went to other regions of the world, and Latin Americans complained that their interests were being neglected. When the Cold War eventually came to Latin America, relations within the OAS grew even more strained as the United States pressed for support of policies directed against Latin American governments which it accused of being Communist. These policies were criticized as leading to intervention in the affairs of member states. Latin American governments in dispute with the United States tended to appeal to the United Nations, which raised the issue of jurisdiction between the two organizations. At first, the United States endeavoured to keep what it called 'hemispheric questions' within the OAS, but this became difficult as more Latin American countries evinced a preference for the world body. In the case of Cuba, which eventually brought the OAS into its greatest crisis, it was impossible after Castro's government was excluded from the inter-American system.

Their concern over United States anti-Communist policies in the region, and continuing dissatisfaction with its response to their requests for more economic aid and better terms of trade,[7] encouraged the Latin American countries to broaden their international relationships outside the OAS. They increasingly identified themselves with the countries of the Third World, constituting part of the 'group of 77' developing nations (the 'South' in the North–South Dialogue), and some of them joining the non-aligned movement. Among the latter was Argentina, whose former president, Juan Perón, actually pioneered the idea of a 'Third Position' in world affairs.[8] At the same time, new efforts were made to form an effective grouping to strengthen the Latin American countries vis-à-vis the United States and other developed countries. In 1975, the Latin American Economic System (SELA) was set up, with Cuba included in its membership. Its pro-

[6] Thus Guatemala has vehemently opposed the independence of Belize. And, of course, Argentina would likewise oppose independence being granted to the Falkland Islands.

[7] In 1961, President Kennedy launched the 'Alliance for Progress': an ambitious programme of economic and social development for Latin America. Its failure served to heighten Latin American dissatisfaction, and to stimulate the development of broader international relationships and new efforts to form an effective Latin American grouping.

[8] Shortly after the Twentieth Meeting of Consultation, the Argentinian Foreign Minister, Nicanor Costa Méndez, visited Havana for a conference of the non-aligned countries. Cuba strongly supported Argentina's case in the Falklands crisis, and Fidel Castro gave Sr Costa Méndez a warm welcome. Argentina received broad support from the conference.

gramme is that of all developing countries: to transform their relations with the developed ones. SELA's achievements have been very limited so far, but its establishment indicates strongly held aspirations. Latin American critics of the OAS have for some time called for its replacement by a new regional grouping excluding the United States.

Meanwhile, the OAS has been weakened as the embodiment of the special relationship between the United States and Latin America by the admission of new members, all of which were until recently dependencies of European powers: in every case but one that power was Britain.[9] Trinidad & Tobago was the first to join, in 1967. Since then, Antigua & Barbuda, Barbados, the Commonwealth of Dominica, Grenada, Jamaica, Saint Lucia, Saint Vincent and the Grenadines, and Suriname have become members. This broadening of OAS membership further emphasized that aspect of the organization which reflects the problems of the North-South Dialogue, since all the new members were classified as developing countries. In the same year that Trinidad & Tobago joined the organization, the members signed a Protocol of Amendment to the OAS Charter, but this did little to strengthen it, and further possible changes have been discussed since then. But any changes that are made in the future are unlikely to go to the heart of the difficulties encountered by the organization.

### The Falklands crisis

This was the far from propitious background to the involvement of the OAS with the Falklands crisis. Hitherto, the organization's main concern in the field of international peace and security had been the challenge from international Communism, with the United States striving for Latin American support against an extra-continental power which was its major potential enemy. There had been a reluctant response from many Latin American members. Now a Latin American member was to seek support in its dispute with an extra-continental power which was the closest ally of the United States. Such was the daunting situation the OAS had to face in the spring of 1982.

The response of the OAS to the Falklands crisis was importantly influenced by the fact that the matter was first dealt with by the United Nations Security Council. The world body, meeting at Britain's request, demanded (on 3 April) an immediate withdrawal of all Argentinian forces from the islands, and called upon the parties to seek a diplomatic solution to their differences. The United States voted for the resolution; Panama, the only Latin American member of the Security Council at the time[10]—and a strong supporter of Argentina—voted against it. Thus a division within its membership over the issue was evident even before the OAS became involved.

The United States was anxious to bring to an end a situation which it found very embarrassing. As far as its Latin American policy was concerned, the Reagan

[9] The exception was Suriname, formerly Dutch Guiana.

[10] Latin America as a geographical region has two of the non-permanent seats on the Security Council. The second seat is currently held by Guyana, which is not a member of the OAS. Guyana voted for Resolution 502.

Administration was preoccupied with what it perceived as a Communist threat in Central America, of which Nicaragua was the focal point. Here the United States had the warm support of Argentina which, paradoxically, in recent years had become a significant trading partner of the Soviet Union. The Reagan Administration, therefore, wanted to retain Argentina's support in Central America, and to avoid action which might drive the Buenos Aires government to form closer ties with Russia. But, in spite of the misgivings of the 'Latin Americanists' among the members of the administration,[11] there was no doubt that, given the necessity of choosing between the two allies, the United States would have to side with Britain. And this it eventually did; though not firmly until after the Secretary of State, Alexander Haig, had made considerable efforts to resolve the dispute before British forces were in a position to open their campaign to retake the Falkland Islands.

Meanwhile, Argentina had not complied with Resolution 502. While expressing willingness to discuss a settlement of its dispute with Britain, it declared its sovereignty over the Falkland Islands was not negotiable. Its position was that, since the Falklands (or Malvinas as Argentina calls them) were part of its national territory, which Britain had occupied illegally since 1833, a British invasion to retake them would constitute aggression. The other Latin American countries were virtually unanimous in their support of Argentina's claim to sovereignty over the Falkland Islands, some voicing that support more strongly than others. Venezuela, for example, was particularly vociferous: not surprisingly in view of its own claim against Guyana, which—again not surprisingly—voted for Resolution 502 in the Security Council. There was strong support also from Peru, whose military establishment was close to that of Argentina, as well as from Panama. But misgivings were felt by other Latin American governments, the Mexican prominent among them, over Argentina's use of force to further its claim: the core of the position taken by the United States. Mexico also shared with other countries, notably Brazil and Colombia, the view that the dispute should be settled, if possible, through the United Nations. Brazil's desire to pay lip service to the idea of Latin American solidarity was reinforced by its military government's fears of a possible political upheaval in Argentina should the junta in Buenos Aires be defeated. But, as its long-standing rival, Brazil gave Argentina only lukewarm support. Chile had more reason for concern. It had a dispute of its own with Argentina (over the Beagle Channel Islands) and opposed the use of force to further territorial claims.[12]

Mr Haig was still engaged in his peace efforts when the dispute came before the Permanent Council of the OAS, a body upon which all members of the organization are represented at ambassadorial level. In the light of Mr Haig's mission, the Council adopted, on 13 April, an innocuous resolution offering its friendly cooperation to both Argentina and Great Britain in reaching a peaceful solution of

[11] These—with Mrs Jeane Kirkpatrick, US chief representative at the United Nations, prominent among them—stressed the need to retain Argentina's support of Washington's policy in Central America, and not to antagonize Latin America as a whole by taking Britain's side in the dispute.

[12] There is evidence that Chile importantly assisted British Intelligence during the hostilities, though both countries have denied that this was so.

their dispute. But the Latin American members refused to vote for an amendment citing Security Council Resolution 502, which had been tabled by British Commonwealth members of the OAS. The Latin Americans registered abstentions, while the United States did not vote, giving its peace mission as the reason.

On 20 April, with a British task force poised for action in the South Atlantic, Argentina invoked the Rio Treaty and called for a meeting of OAS Foreign Ministers (a 'Meeting of Consultation' under the treaty). Eighteen countries voted to call the meeting, with the United States, Colombia and Trinidad & Tobago abstaining. Since the last named was the only new member of the OAS to have signed and ratified the Rio Treaty, it alone among them was represented at the meeting. The Twentieth Meeting of Consultation of American Foreign Ministers opened at the headquarters of the OAS on 26 April, the day after British troops had retaken South Georgia. Its first session lasted until 28 April. It was clear from the beginning that, whatever degree of diplomatic support might be forthcoming for Argentina, very little by way of military assistance could be expected from the other Latin American countries. The Argentinian government was well aware of this. Its Foreign Minister declared that, at this stage, it did not intend formally to request either economic sanctions or military assistance against Britain. He received qualified diplomatic support. Argentina's right to sovereignty over the Falkland Islands was recognized, and Britain was urged 'to cease immediately the hostilities it is carrying on within the security region established by Article 4 of the Inter-American Treaty of Reciprocal Assistance and to refrain from any act that could affect inter-American peace and security'. But the OAS Foreign Ministers did not demand the withdrawal of the British fleet from the South Atlantic as Argentina wanted. The Argentinian government itself was urged 'to refrain from taking any action that might exacerbate the situation'. Both countries were urged to call an immediate truce and resume negotiations for a peaceful settlement of their dispute. Sanctions which had been imposed upon Argentina by members of the European Community and other states in support of Britain were deplored, and the governments concerned were asked to lift them. The final resolution of the meeting was carried by seventeen votes, with four abstentions: the United States, Chile, Colombia and Trinidad & Tobago. During the debate, Mexico and Colombia had joined with the United States in arguing that the proper forum for action on the dispute was the United Nations within the framework of Resolution 502, reference to which was made in the preamble to the OAS resolution. But there was generally a great deal of criticism of the United States during the meeting.

Before the OAS Foreign Ministers resumed their consideration of the Falklands crisis, a number of significant developments took place. Mr Haig finally gave up his peace mission, blaming Argentina for his failure and announcing that the United States was now aligning itself with Britain. There followed two further, and likewise unsuccessful, peace initiatives, one by the President of Peru, the other by the Secretary-General of the United Nations. Meanwhile, hostilities intensified as the British task force began the operation of landing troops on the Falklands. On 27 May, the OAS Foreign Ministers met again to consider Argentina's case against

'British aggression'. They did so in the knowledge that the most powerful member of their organization was opposed to any resolution calling for economic or military measures against Britain and, indeed, was giving significant assistance to that country. Mr Haig reiterated the United States view that, since Argentina had been the first to use force by invading the Falkland Islands, there were no grounds for taking collective action under the terms of the Rio Treaty: there had not been extra-continental aggression. Naturally, Argentina and its strongest supporters were bitterly critical of the United States, but there was no serious question of the OAS Foreign Ministers agreeing to collective measures against Britain. Brazil and Mexico reportedly advised the meeting to avoid linking support for Argentina to the Rio Treaty, and continued to voice the opinion that the United Nations was the appropriate forum in which to pursue a peaceful solution to the dispute. A resolution was finally adopted (on 29 May) which 'condemned most vigorously the unjustified and disproportionate attack perpetrated by the United Kingdom'; urged the United States to end sanctions against Argentina and to cease giving military assistance to Britain; and called upon members of the OAS to support Argentina 'in the manner each considers appropriate'. It was carried by seventeen votes, with four abstentions: as previously, the United States, Chile, Colombia and Trinidad & Tobago.

Although hard information has been difficult to come by, it is clear that what the members of the OAS considered 'appropriate' support for Argentina did not in the event amount to much.[18] Just over two weeks after the OAS Foreign Ministers adopted their resolution, the Argentinian troops on the Falkland Islands surrendered and British sovereignty was restored. This came as a shock to Argentina's strongest supporters, but for most of the other Latin American countries, especially the largest ones, it must have brought a welcome end to a most embarrassing affair. Bitter denunciation of the role of the United States could not hide the poor performance of the Latin American members of the OAS.

## Predictable divisions

And what of the performance of the OAS itself? It had not resolved peacefully a major dispute involving one of its members; nor had it supported effectively that member when it was engaged in hostilities with an extra-continental power within the region covered by the Rio Treaty. But a judgement of failure requires some qualification. Since the dispute involved a non-member state, the OAS was not the appropriate forum to deal with it: that was the United Nations. The OAS could go no further than the offer of friendly co-operation in reaching a peaceful solution which it made on 13 April, before Britain's task force engaged Argentinian troops. It was the efforts of the United Nations, both in the Security Council and through the peace mission of the Secretary-General, which proved unsuccessful. As regards OAS failure effectively to support a member which claimed to be the

[18] For example, Venezuela had earlier suspended negotiations for the purchase of British aircraft, and Brazil was reported to have lent Argentina some reconnaissance planes as a gesture of support; but Peru denied that it had sent Buenos Aires six of its Mirage aircraft. Some Latin American governments publicly acknowledged their inability (or unwillingness) to give either economic or military assistance to Argentina.

victim of aggression, the issue was far from straightforward. Argentina had been the first to resort to armed force and, apart from other considerations, this made it impossible for the most powerful member of the OAS to give its support. It also diminished support for Argentina among the leading Latin American members of the organization. What made the performance of the OAS appear so weak was the contrast between the lack of tangible support given to Argentina and the extravagant rhetoric in which so many Latin American delegations indulged at the Meeting of Consultation.

It has been a widely expressed judgement, of both politicians and political commentators, that the Falklands crisis has dealt a severe blow to United States relations with Latin America, and therefore to the OAS, and that it will have given impetus to the formation of a new regional grouping, excluding the United States, to replace the inter-American system. This judgement is questionable. There was not a clear-cut division in the OAS between the United States and the countries of Latin America, in spite of the rhetoric which suggested otherwise. Two important Latin American members, Chile and Colombia, like the United States, did not support the resolutions adopted by the Twentieth Meeting of Consultation. Two—even more important—countries, Brazil and Mexico, indicated their doubts about the applicability of the Rio Treaty to the situation. There was even wider concern over the fact that Argentina had employed force in support of its claim to the Falkland Islands. It is also relevant that Argentina has never been popular with a majority of the other Latin American countries, and its defeat in the hostilities with Britain is unlikely to be too widely or deeply regretted. Undoubtedly, Argentina's relations with the United States will have suffered. It is improbable that many other Latin American countries will allow their own relations with Washington to be impaired as a consequence of the Falklands crisis.

Of course, the OAS has experienced a set-back; but the crisis revealed nothing new regarding its limitations. The inter-American system historically has had few successes in resolving the numerous territorial disputes between even its smallest members. Nor is its record impressive in meeting challenges from outside the Western hemisphere, where the interests of its most powerful member have been threatened. Indeed, the efforts of the United States to mobilize support in the OAS against 'international Communism' have weakened the organization more than the Falklands crisis is likely to have done. But whatever the future prospects of the OAS, those for an effective Latin American grouping which might replace it must have been greatly diminished by the crisis, which has heightened divisions among the Latin American countries. The concept of Latin American solidarity has suffered an even greater set-back than has that of the special relationship between the two Americas.

As for the immediate future, Argentina appears set to take its case to the General Assembly of the United Nations. There it can count upon its fellow Latin Americans to give it vocal support, which doubtless will be all the warmer to compensate for the lack of more effective assistance during the hostilities. Meanwhile, if the situation in Central America continues to deteriorate, the OAS may be faced with a crisis more serious than that caused by the dispute over the Falkland Islands.

# Yugoslavia's double crisis

K. F. CVIIC

On the eve of the opening of the 12th congress of the League of Communists of Yugoslavia (LCY) in June, Mr Milovan Djilas, once a top leader himself and now the country's most distinguished dissident, spoke of 'a crisis within the ruling system'. In an interview with a Western newspaper, he said that Yugoslavia was going through a constitutional as well as an economic crisis, and that without Tito, the Titoist system was disintegrating.[1] He was contradicted a few days later by Mr Mitja Ribicic, the newly elected President of the Presidium of the LCY's central committee. In his concluding address on 29 June, the congress's last day, Mr Ribicic, a veteran Party official from Slovenia and Yugoslavia's Prime Minister from 1969 to 1971, spoke in an optimistic vein about the LCY's and Yugoslavia's future. He called the Belgrade gathering 'a congress of unity and trust in the working class'.[2]

On the face of it, there is much to support Mr Ribicic's view of the Yugoslav situation. More than two years have passed since Tito's death in May 1980, and all the alarums surrounding it. Yet his Yugoslavia is still there, essentially as he had left it. It has not disintegrated. Nor has it, as many feared, travelled back into the Soviet orbit. Yugoslavia has been spared the power struggle that usually follows the death of a strong ruler in one-party states. It is still operating faithfully the complicated system of collective rule, with regularly rotating chairmanships for all top party and state bodies, that Tito bequeathed to it. The Belgrade congress firmly endorsed all the main tenets of Titoism, notably workers' self-management, economic decentralization and, in foreign policy, non-alignment. But the congress also provided plenty of evidence for the existence of the double crisis, in the economy and in the country's federal system, which Mr Djilas was alluding to in his interview. As to offering ways out of Yugoslavia's 'hard times', to borrow a phrase used by a Belgrade weekly,[3] the congress provided only some very general guidelines for the economy and hardly any in the political field.

## The economic debate

The main focus of the economic debates, which were unprecedentedly heated at times, was Yugoslavia's chief financial headache—its large hard-currency debt. The fear that Yugoslavia may follow Poland and Rumania in becoming the third East European defaulter was clearly very much on the delegates' minds. The size of the debt was confirmed by Mr Ribicic's predecessor, Mr Dusan Dragosavac, who revealed in his main report to the congress that at the end of 1981 it stood at $20·1 billion.[4] This year alone, Yugoslavia has to find $5·3 billion worth of hard

[1] *New York Times*, 20 June 1982. [2] *Borba* (Belgrade), 30 June 1982.
[3] *NIN*, 27 June 1982. [4] *Borba*, 27 June 1982.

The author, who is a writer on East European affairs on the staff of *The Economist*, regularly visits Yugoslavia.

currency to service this debt. The repayments will eat up 27 per cent of hard-currency earnings of about $18·5 billion expected this year from all sources: exports, tourism, Yugoslav workers' remittances and shipping.[5] To gather in as much currency as possible for debt servicing, the government demanded and obtained in May of this year a special law enabling it to appropriate the bulk of foreign currency hitherto left to the enterprises for their own needs. Of each $100 earned by an enterprise, $23·2 is left to it. Yugoslav firms are also obliged now to repatriate hard-currency earnings more quickly than in the past—in 60 rather than 90 days as before. Both measures have provoked bitter opposition, particularly from the federal republic of Slovenia. Leading Slovene politicians argued at their Party congress in April which, like other Yugoslav regional Party congresses preceded the one in Belgrade, that Slovene firms and Slovenia itself were being made to pay for the reckless investment and borrowing policies of other enterprises and republics: they were being penalized for their own moderation in investments.

It was made clear at the Belgrade congress that the all-out effort being made to narrow Yugoslavia's current-account deficit to something like $500 m. by the end of this year (from $750 m. last year and $2·2 billion in 1980) was hitting industry hard. Mr Milenko Bojanic, the new Foreign Trade Minister, revealed at the congress that foreign currency for imports of raw materials and machinery was desperately scarce. There was $1·7 billion less available for these imports this year than last.[6] Industrial production increased by only 1·6 per cent in the January–May period of this year (compared with a 3·5 per cent increase in the same period of last year). The downward trend was indicated by the fact that in May industrial output had actually dropped by 0·6 per cent for the first time since the break with the Soviet Union in 1948, when a total economic blockade was imposed on Yugoslavia by its erstwhile allies. In June, many Yugoslav factories were already sending their workers on compulsory leave. Many more were expected to do so by early autumn. Some works were likely to close down permanently because of the shortage of currency to pay for the necessary imports of raw materials and components. Yugoslavia's post-war industrialization has made the entire economy import-dependent to a high degree.[7] Increasing exports to earn the extra currency is not possible for many Yugoslav firms because they are lacking the currency with which to buy the 'repro-materials' to produce the goods for export.[8]

Thus, Yugoslavia's battle for financial solvency now being waged could seriously undermine its efforts against unemployment. Yugoslavia's unemployment has been fairly steady for several years—at around 800,000 in a total labour force in the 'socialist' sector of just under 6 million. Any large-scale addition to the

[5] *Ekonomska Politika* (Belgrade), 12 July 1982. [6] *Borba*, 29 June 1982.

[7] This import dependence appears to have grown in recent years. According to *NIN* (6 June 1982), imports of 'repro-material' represented 57·5 per cent of total Yugoslav imports in 1966. By 1981 this proportion had increased to 77 per cent.

[8] Not surprisingly, Yugoslav exports are not doing as well as planned and are unlikely to reach the targeted 12 per cent increase to the convertible currency area. It is virtually certain that the projected reduction of the country's annual inflation rate to 15 per cent will not be reached. Inflation is likely to stay around 30 per cent (compared with the 40 per cent rate in 1981). Real incomes in Yugoslavia had declined by 13 per cent in the 1980–1 period.

present numbers would clearly be unpopular—especially as the bulk of the new unemployed are young people. The number of strikes in the factories could increase. Back in 1965, when Yugoslavia was carrying out its first economic reform (like this one, under the guidance of the International Monetary Fund), there was the safety valve of emigration to the West for workers laid off as part of the policy of closing down the so-called 'parallel capacity' (loss-making factories built during the post-war industrialization drive). This time there is no such safety valve: Yugoslavia's fervent hope now is that as few as possible of its 600,000 *Gastarbeiter* currently in the West return home.

Not surprisingly, there was much speculation before the congress about its attitude towards the private sector. Would it give a green light for measures to encourage the so-called 'small economy' and thus attract at least a part of the estimated $8 billion that Yugoslav citizens keep on their special, hard-currency accounts? Or would it continue to treat the private sector both in agriculture and outside it with the old mixture of hostility and mistrust? What emerged from the Belgrade congress was a half-green light in the shape of a call, in the main economic resolution, for more small 'capacities' in agriculture and industry and a demand that 'ideas and tendencies' to look upon private work as simply a means of getting rich quickly be 'suppressed'. A prominent Party figure from Croatia, Mr Cedo Grbic, complained after the congress[9] that this was not enough if the private sector in the economy was to fulfil the expected role as a provider of extra jobs and a partner in boosting exports. If private enterprise can be encouraged so much in Hungary, he asked, why not here?

### Nationalist backlash

If the country's economic predicament cast a shadow over the congress, then that cast over it by new tensions among Yugoslavia's nations was even bigger and more oppressive. As the delegates were arriving in Belgrade, tension over the political situation in Kosovo, the scene of large-scale disturbances in the spring of 1981 by local Albanians demanding that Kosovo be upgraded from a province of Serbia to the status of a full republic on a par with Serbia, Croatia and the other four, was at its height.[10] Since 1981, a powerful nationalist backlash over Kosovo has been building up among the Serbs, Yugoslavia's largest nation. On 9 June, reports on radio and television and in the Belgrade press of the murder of a young Kosovo Serb by a local Albanian created a public uproar. Particular anger was caused by a report that the young man's widowed mother and the rest of the family had fled to Belgrade, leaving their farm, livestock, farm machines and implements and other property behind. The woman was interviewed on Belgrade television. Serbian papers reported later in the month that there had been some anti-Albanian backlash in Serbia, with attacks on individual Albanians as well as demands in Serbian factories for action to protect the Serbs in Kosovo.

Kosovo, the centre of Serbia's medieval kingdom, now has an Albanian

[9] *Danas* (Zagreb), 20 July 1982.

[10] For background, see Patrick F. Artisien and R. A. Howells, 'Yugoslavia, Albania and the Kosovo riots', *The World Today*, November 1981.

majority. Serbs still living there are 13·2 per cent of the province's population (compared with 18·3 per cent in 1971).[11] The Albanians, who have a high birth-rate, jumped from 73·6 of the province's population in 1971 to 77·5 per cent in 1981. According to the census figures, there were 18,000 fewer Serbs in the province in 1981 than in 1971 (and 10,000 fewer Montenegrins, traditionally considered as part of the Serbian nation). But these figures are disputed in Belgrade. Unofficially, it is claimed that as many as 100,000 Serbs and Montenegrins have emigrated from Kosovo in the past 10 years as a result of threats and harassment.

There had been much concern in Serbia over the emigration issue for some time, but during Tito's lifetime the press was not allowed to write about it. Tito hoped to make Kosovo a bridge for an understanding with Albania, a policy for which he is now bitterly attacked in Serbia. But since his death, and particularly since the outbreak of unrest in the province last year, the Serbian leadership has allowed a much fuller reporting of the issue. In other parts of Yugoslavia, this has caused some dismay, especially as the issue is complicated by the fact that, after Kosovo's annexation by Serbia in 1912, colonists were brought into the area, given land taken from the locals who had fled or been killed, and provided with arms and other support from the authorities. This policy was intensified after the formation of Yugoslavia. Special legislation was passed to help Serbian colonization in Kosovo. Many non-Serbs in Yugoslavia regard the present full (some would say, over-sensationalized) coverage of the Kosovo situation in Serbia as part of the Serbian leaders' campaign to regain full control over not just Kosovo, but also Serbia's other autonomous province of Vojvodina. Like Kosovo, Vojvodina, too, had over the past 10 years become a de facto republic. Recent attempts to re-integrate Vojvodina into Serbia have caused a bitter quarrel with the (predominantly Serbian) leadership of Vojvodina. Vojvodina Serbs have, of course, no nationalist quarrel with the Serbs of Serbia proper, but their province's autonomy clearly matters sufficiently to Vojvodina leaders for them to resist Belgrade's demands for its re-integration into Serbia.

In Kosovo, the new leaders brought in after the 1981 riots, Mr Sinan Hasani, President of the provincial Party's central committee, and Mr Azem Vlasi, president of the provincial Socialist Alliance, the Party-controlled mass organization, find themselves in a difficult position. They are mistrusted, even hated, by those Kosovo Albanians who still insist that the province must be upgraded to a republic. (These are, according to the best estimates, probably a majority, certainly so among the younger people.) On the other hand, they are not entirely trusted by many Serbs who instinctively feel that all the Albanians are in league with each other and working against Serbian interests. Fresh trials of Kosovo Albanians in July were almost certainly the response of Kosovo's leaders to Serbian calls for tougher action against local Albanian nationalism and 'irredentism'. Three separate groups of Kosovo Albanians, a total of 62 people, were tried and sentenced in July to prison terms of up to 12 years for 'counter-revolutionary' and 'irredentist' activity. The last of the three groups included a number of well-known intellectuals and a former junior minister in the Kosovo provincial government.

[11] According to the 1981 census (*NIN*, 10 May 1981).

In its 'platform' on Kosovo, the Belgrade congress ruled out any chance of the demand for the upgrading of the province to a republic being met. It also condemned the idea of an 'ethnically pure'—i.e. Albanian—Kosovo, and called for an end to pressures on local Serbs and Montenegrins to emigrate. But calls were made by Kosovo Albanians and other speakers for faster and more efficient economic aid to the province, Yugoslavia's poorest region, whose unemployment rate, at 27 per cent, is more than twice that for Yugoslavia as a whole. However, given the present economic situation in Yugoslavia and the general curb on investments everywhere, it is not easy to envisage much new investment coming in from other republics. Kosovo is already receiving its share of federal aid earmarked for less developed areas, but in the past there have been complaints from the other republics that this 'solidarity' aid was not being used to boost production but to build large new administrative and other buildings and similar prestige objects. In his report to the congress, Mr Dragosavac claimed that the Party had 'basically speaking' solved the nationality question in Yugoslavia, but then added that 'nationalism had been manifesting itself, especially recently, in different ways, in various spheres of life'. He admitted that 'organized social forces, including the LCY', were not 'immune from it' and complained of 'reactionary nationalistic forces' promoting their 'sinister objectives' in various academic disciplines, 'especially history, ethnology, archaeology and linguistics'.[12]

One of these nationalist debates is about the origins of the Albanians and the Montenegrins. Serbian historians are bitterly critical of the theory that today's Albanians are direct descendants of the Illyrians, the ancient inhabitants of the Balkan peninsula, rather than of the later Thracians. They see this theory as an attempt to prove that it is the Albanians who are the rightful owners of Kosovo and not the Serbs, who arrived much later in the Balkans. Serbian historians have also been upset by a theory put forward by some Montenegrin historians according to which the Montenegrins, always considered as Slavs and a part of the Serbian nation, were in fact descended from a non-Slav Balkan people (a variant of the Illyrians) called the Dukljans. Some of these disputes have caused serious difficulties with the preparation of the new edition of the Yugoslav encyclopaedia in the Lexicographical Institute in Zagreb. Similarly, a history of the Communist Party of Yugoslavia, which should have been ready for the June congress in Belgrade, has been delayed by disagreements over interpretations, mainly of the role played by various Yugoslav nationalities during the Second World War.

## Controversial balance-sheet

Upholders of Yugoslav unity were considerably heartened by the figures published earlier this year at the conclusion of the processing of last year's census details.[13] They were particularly pleased by the fact that 1·2 m. people in a total population of 22·3 m. had declared themselves as 'Yugoslavs' (compared with only 273,000 who had done so in the 1971 census). But even this produced more acrimony and bitterness. Some non-Serbs recalled how King Alexander before the Second World War preached 'Yugoslavism' (*jugoslovenstvo*) but in fact practised Serbian hegemony. The census also revealed that few Slovenes, Macedonians or

[12] *Borba*, 27 June 1982. [13] *NIN*, 21 February 1982.

Albanians declared themselves as 'Yugoslavs'. The debate about the whole issue was unleashed in public and left a bitter taste.

The proposition that, on the contrary, the peoples of Yugoslavia are growing apart from one another is supported by other evidence. Article 251 of the 1974 Yugoslav Constitution says that 'the working people, nations and nationalities of Yugoslavia shall realize their economic interests within a unified Yugoslav market.' Yet, according to an authoritative analysis published by the Federal Planning Institute in Belgrade in May, the Yugoslav market is becoming 'less and less unified'.[14] The six republics that make up the Yugoslav federation—Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Slovenia and Serbia—are trading less and less with each other. In 1970, 40 per cent of the six republics' total exports went to other Yugoslav republics; by 1980 the proportion had dropped to 31 per cent. Less than 3 per cent of Yugoslav enterprises have subsidiaries outside their 'home' republics, despite appeals, echoed at the Belgrade Party congress, for more investment across the republican borders.

An equally striking illustration of the way the republics have been developing their own distinctive internal policies is to be found in their approach to the freedom of debate. In Serbia, the area of free expression and debate has been widened considerably, largely owing to the lively Belgrade press, notably the weeklies *NIN* and *Ekonomska Politika* and the daily *Politika*. They are inspiring parallels in other parts of the country. Zagreb, the capital of Croatia, the first federal republic to be hit by President Tito's anti-liberal crackdown in 1971, early in the spring launched a new weekly called *Danas*. The magazine has shown a good deal of boldness. In June, it risked the wrath of many top leaders by publishing voting figures from recent Party congresses in individual federal republics and provinces showing that some of the most prominent figures received very low support, or even failed to get the number of votes required for the election. In Ljubljana, a new magazine called *Nova Revija* appeared earlier this year. In its first issue, it carried poetry by Mr Gojko Djogo, a Serbian poet sentenced last year for allegedly slandering President Tito; a critical interview by a Slovene writer which had been rejected by other magazines; and a study of a Slovene Catholic writer and former partisan, Edvard Kocbek, who had been cold-shouldered by the regime for many years. In Bosnia and Herzegovina, in contrast, the official policy has been a good deal tougher, notably towards the churches, and the area for debate a good deal narrower. The same has been true of Macedonia and Montenegro.

The subject of the harsh treatment meted out to men and women, mostly Party members and former partisans who in 1948 opted for Stalin, the so-called Cominformists, is no longer taboo. Two recently published novels, one in Slovene and one in Serbian, deal with it in a remarkably free way. The third volume of Mr Vladimir Dedijer's 'New Contributions towards a Biography of Josip Broz Tito' will appear after all, despite the furore caused by the publication last November of the second volume dealing with the wartime events in Yugoslavia. But this liberalism has limits. General Franjo Tudjman, former head of the Party History Institute in Zagreb and himself an old partisan, is serving a three-year prison sentence for tackling in his writings the still-forbidden subject of the exact number

[14] *Vjesnik* (Zagreb), 12 May 1982.

of war victims in Yugoslavia in the Second World War. Tudjman advocates the view that figures had been deliberately exaggerated, particularly in relation to the wartime Croatian regime of Ante Pavelic. He sees this as part of an attempt to weaken the Croats' position within Yugoslavia by attaching to them the label of wartime guilt. In Belgrade, administering the law too 'neutrally' can be a problem for a judge, even a top one. Mr Mirko Perovic, President of Yugoslovia's Supreme Court in Belgrade, caused much surprise in June by retiring early, after only two years in office. Always considered a safe Party man, he is said in Belgrade to have incurred some of the Serbian Party leaders' displeasure by his detached treatment of certain political cases brought before the Court. Only a month after Mr Perovic's retirement, the Supreme Court rejected the appeal against a one-year prison sentence for Mr Gojko Djogo, the controversial poet. And in July, six young men and women, who at a pro-PLO solidarity rally in Belgrade had unfurled banners carrying the name 'Solidarnosc', were sentenced to prison terms ranging from 25 to 50 days. The President of the Belgrade magistrates declared that the sentences for what had been 'an insult against a friendly nation' had been too mild. He added that tougher sentences would be passed in such cases in the future.[15] At its session at the end of July, the central committee of Serbia demanded an investigation and disciplinary action against *NIN* and a journalist from 'Komunist', the Party weekly, for their critical stance towards the arrests of 'Solidarnosc' supporters. Any toughening of the internal line in Yugoslavia should be welcomed by the Soviet Union whose press has been criticizing the growing 'anarchy' in Yugoslavia since Tito's death. In foreign policy, the Yugoslav stance has been a critical one. The relatively lowly Soviet delegation at the Belgrade congress led by Mr Vasily Kuznetsov, candidate-member of the Soviet Politburo and Deputy Prime Minister, cannot have been pleased by one of the congress resolutions which bracketed the struggle of the people of Salvador and other non-Communist areas with that of the people of Afghanistan and Kampuchea. Just before the congress, there were critical attacks in the Soviet press on the staging in Belgrade of a French play about Lenin, Stalin and Trotsky. Yugoslav newspapers and magazines have been vying with each other in publishing critical material not only about the Stalin era but also about later periods of Soviet history. This, however, does not mean that an internally weakened and divided Yugoslavia that had lost its nerve could not become an object of successful Soviet wooing.

A determined liberalization would perhaps prevent that—and help to create conditions for tackling Yugoslavia's internal problems in a spirit of greater mutual understanding and collaboration. But of that there is not yet any sign. On the eve of the congress, at a central committee meeting in Belgrade, General Peko Dapcevic, one of the most famous partisan commanders of the Second World War, called for the dropping of references to Leninism, dictatorship of the proletariat and democratic centralism in the Party Programme.[16] He did so on the grounds that they were incompatible with real democracy and self-management. He was heard in silence and ignored. At the Party congress, only a few small amendments were made to the Party Statutes, the Party's rule book for its 2·2 m. members.

[15] *NIN*, 27 July 1982. [16] *NIN*, 13 June 1982.

# The Czechoslovak Church under pressure

PEDRO RAMET

DURING the past two years, the attention of the West, in so far as it has been concerned with religious developments in Eastern Europe, understandably has tended to be riveted on Poland. Yet even while the Polish Church seemed to be consolidating a new role as mediator between the independent trade union organization Solidarity and the Polish regime through most of 1981, the Prague authorities were already in the midst of a new campaign against Czechoslovakia's churches, concentrating especially on Czechoslovakia's largest denomination, the Roman Catholic Church. Indeed, the Czechoslovak Communist Party (CzCP) has, from the beginning of the recent Polish crisis, been more concerned about the example of Poland's Church than about its independent unions.

While religious oppression has, with the exception of the 1968 Prague Spring, been fairly steady in Communist Czechoslovakia since 1948, a tangible hardening of the regime's hostility took place shortly after Poland's Karol Cardinal Wojtyla became Pope John Paul II four years ago. Behind the new campaign against the Church lies a deepening fear on the part of the authorities of the impact of the Slavic Pope on Eastern Europe, anxiety lest the example of an emboldened Polish Church tempt Czechoslovak clerics to emulate that model, exasperation at their failure to snuff out the activity of unregistered priests (dubbed 'the secret church' by the regime) and apprehension at the growing bonds between the Charter 77 dissident group and certain members of the Church hierarchy in Czechoslovakia. It is a fact that, after Wojtyla's election to the papacy, Czechoslovak Catholics became bolder in organizing theological study groups, in publishing and distributing religious *samizdat* and in fostering underground religious orders. The Czechoslovak Communist Party, for its part, reacting to these developments with the hysteria that has become a trademark of the Husak regime, described the Polish Pope, in the new edition of its training manual for new party activists, as 'the greatest anti-Communist ever to occupy such a position in the Vatican.'[1]

With an estimated 10 million adherents out of a total population of 15 million, the Catholic Church is easily the largest religious organization in Czechoslovakia. Yet, despite its numerical strength, its situation is worse there than in any other East European country other than Albania. Believers are discriminated against and barred from governmental posts of any consequence. Children who are signed up for religious instruction are subsequently denied admission to institutions of

[1] *Novy zivot*, No. 11 (October 1979).

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higher education. Police monitor liturgical services, keeping records of those in attendance, and solicit the names of those obtaining weddings and baptisms from the Church. The regime maintains direct control over the Church through its control of the clergy's wages, has repeatedly imposed limits on the numbers of seminarists who might be admitted and has refused to approve petitions to fill posts either at the bishopric level or at the parochial level. As a result, eight out of Czechoslovakia's 13 dioceses are without bishops, and by late 1981 the number of Catholic priests had shrunk from 7,000 to about 3,300. The regime has also imposed fixed limits on the numbers of copies which the religious press may publish—this, in 1970, resulted in the abrupt halving of the circulation of the Prague weekly, *Katolicke noviny*. While uncooperative priests are hauled off to jail —an estimated 100 clergymen and lay Christian activists have languished in Czechoslovak prisons for some years—'co-operative' priests are enlisted into the clerical organization known as *Pacem in Terris*, which is directly subordinate to the regime's Office for Religious Affairs (and thus not obedient to the Vatican). *Pacem in Terris* has managed to subvert the Catholic press so that, according to Keston College, it has become a mere 'tool of political propaganda, preaching a gospel of the revolutionary State and treating religion as a mere relic of the past'.[2] Surprisingly, four of Czechoslovakia's five bishops are members of *Pacem in Terris*. The one exception, Frantisek Cardinal Tomasek, Archbishop of Prague, has unequivocally condemned the organization. In an interview with the Bologna newspaper, *Il Regno*, of 15 April 1980, Tomasek expressed his 'total disagreement' with *Pacem in Terris*, declaring that 'it does nothing for the Church' and serves only to further the purposes of the state, and revealing that the Pope was deeply concerned about its activities.

While there has been a marked stiffening of pressure on the Church in the past three to four years, the anti-religious policy itself is as old as the Communist regime. Soon after seizing power, the CzCP had suppressed all religious orders, abolished religious instruction in schools and confiscated Church property. Clergy were imprisoned on fabricated charges, harassed, or, in many cases, simply forced to retire. The Dubcek era brought a temporary reversal of this policy in 1968, but the re-establishment, in 1971, of the regime's 'progressive' front organization for priests, *Pacem in Terris*, signalled a return to the pre-Dubcek policy of repression. Husak's regime has been so strict in its policy towards the Church that without the thriving underground religious *samizdat* (which printed some 700 titles in 1982, as well as three regular periodicals—*Teologicke texty*, *Informace o cirkvi* and *Vzkriseni*) the Church would scarcely have any printed materials at all.

## The 'secret church' and the new hard line

In the Czech lands, there is only one priest for every four parishes: the authorities routinely call in active priests for medical check-ups and then retire them on medical grounds; if no replacement is found (and approved) within three months, the post is declared abolished. The clandestine network of priests, nuns, bishops, publications and seminaries which has arisen in response to this pressure, and

[2] 'News in Brief', *Religion in Communist Lands*, Vol. 8, No. 3 (Autumn 1980), p. 236.

which received particular impetus under the impact of the regime's retrenchment in the early 1970s, is strongest in Slovakia, where it is viewed also as a guardian of Slovak national tradition. But the movement has spread throughout Czechoslovakia. In Prague, some 30 priests are said to celebrate mass on a regular basis without official permission.

Yet, despite these developments, there were signs in 1977 of a thaw in Church–State relations in Czechoslovakia: Cardinal Tomasek entertained government representatives at a formal reception at the archdiocesan palace (a 'first' since the Communist takeover in 1948); the government assented to Tomasek's request to travel to Rome to receive his Cardinal's hat; and eight Czech Franciscan nuns obtained passports, with re-entry visas, to attend an assembly of their order in Rome. Even as recently as mid-April 1980, well after the election of Pope John Paul II but before the emergence of Solidarity and the unravelling of the Polish crisis, Karel Hruza, chairman of the Office for Religious Affairs, declared himself 'very optimistic' about prospects for an agreement between the Vatican and Czechoslovakia.

However, eight months later, the Bratislava party daily, *Pravda* (29 December 1980), condemned 'political clericalism' in Poland, linked Polish currents with the 'clerical-fascist ideology' said to inspire the 'secret church', assailed the latter for nurturing Slovak 'neo-separatists' and 'politically disoriented individuals' and for obedience to 'clerical centres in the capitalist world', i.e. to the Vatican. Having associated this religious resistance with Franz Josef Strauss of West Germany and Otto von Habsburg, the newspaper ended, in a twisted flourish, with a defence of *Pacem in Terris* against its critics.[a] So determined was the regime to lay the blame for the Polish turmoil at the feet of the Catholic hierarchy in Poland that a Prague television broadcast claimed, earlier this year, that Lech Walesa, chairman of the suppressed independent trade union Solidarity, had refused to make any decisions until he had consulted the Primate of the Polish Church.

The Catholic Church had neither launched an activist offensive nor adopted a new policy of any kind. Thus the responsibility for the worsening climate in Church–State relations lies entirely with the CzCP. Moreover, in choosing this moment to crack down, the authorities were clearly reacting in good part to developments outside Czechoslovakia which they feared might influence and stimulate developments inside the country. The recent intensification of anti-religious policy should therefore be viewed as pre-emptive in nature rather than reactive (as the regime would have us believe). That in the eyes of the Czechoslovak regime the threat comes from Poland and that its key elements are the emboldened Polish Church and the Polish Pope himself is evident both from the timing of the campaign (which began after the election of Wojtyla and was intensified after the birth of Polish Solidarity and the disturbances in Poland) and from the official press itself, which explicitly identifies Poland as the source of the anxiety. (Thus, in February 1982, the Czech daily, *Rude Pravo*, attacked the Pope for supporting 'counter-revolution' in Poland, and a long article by Jaroslav Celko, appearing

[a] Translated in *Foreign Broadcast Information Service* (FBIS)/Czechoslovakia, 5 January 1981.

in the Bratislava daily, *Pravda*, in March, denounced the Vatican and the Polish Church for 'playing the role of counter-revolutionaries' and for attempting 'to liquidate the gains of the workers' class and other working people.'[4])

Already in 1979, Father Rudolf Smahel spent four months in prison after the discovery by secret police of a clandestine religious printing press in Olomouc; then, upon his release in January 1980, his permission to work as a priest was withdrawn. Similarly, Father Josef Lahuda went to prison for six and a half months in October 1980 for organizing a liturgical 'youth encounter' without express state consent, and Father Jan Barta of Liberec was held without trial from November 1980 to March 1981.[5] Other clergy were harassed, and the anti-religious press campaign gathered wind.

In the autumn of 1980, the Slovak Secretariat for Internal Affairs set up a special secret police unit for use against the Church, signalling a decisive turning-point in Church–State relations in Czechoslovakia. Some 300 agents were transferred from Bohemia and Moravia to augment the Slovak special unit, which was specifically given the task of uncovering 'illegal' activity on the part of the Church and of intimidating the clergy. For the first time since the initial phase of Communist rule, the secret police began ransacking religious buildings, including homes for elderly clerics, and a rash of arrests soon followed.[6]

In August 1981, the East Slovakian priest Anton Zlatohlavy, of Radoma, was arrested and sentenced to two years behind bars, for undertaking to repair the church rectory without state permission and for continuing to work as a priest after the Office for Religious Affairs had withdrawn his permit. The 33-year-old Josef Kordik, a Jesuit priest from Libceves in Bohemia, was similarly brought to trial the following month on charges of having celebrated four masses after the withdrawal of his permit; after the personal intervention of Cardinal Tomasek, Kordik was 'let off' with a one-year suspended sentence. Also in September, six Catholic activists, including two priests—the Jesuit Father Frantisek Lizna, 40, and Father Rudolf Smahel, 30, a parish priest from Moravia—were given sentences ranging from 10 months to three years in jail for 'illegal trade' in religious literature. At the same time, the 37-year-old Matej Romf, allegedly a clandestine member of the Salesian Order, was brought before the authorities on charges of giving illegal religious instruction and of 'prevention of state supervision of the Church'. Stefan Javorsky, 57, a priest in the Slovak town of Spissky Ctvrtek, who had been made to work as a manual labourer, was sent to jail for a second two-year term—his first one, for discussing theology with university students, having been served in 1975–7—for 'restriction of individual freedom', after he intervened with a neighbour to restrain a drunken villager from beating his wife. The charge of 'obstructing state supervision of the Church' (Article 178 of the Penal Code) also sufficed to put the 64-year-old Gabriel Povala, another Slovak priest, in prison in November, and to send Radim Hlozanka, 59, a Bohemian priest, to prison in

[4] *Pravda* (Bratislava), 25 March 1982, translated in FBIS/Czechoslovakia, 29 March 1982. See also *Rheinischer Merkur*, 16 January 1981.

[5] *Keston News Service*, No. 127, 3 August 1981, p. 8.

[6] Radio Vatican in Serbo-Croat, 2 March 1981, translated in FBIS/Czechoslovakia, 3 March 1981; *Stuttgarter Zeitung*, 12 March 1981.

March 1982. Finally, and most recently, two Czech Franciscans—Father Josef Barta, 61, and Father Ladis Trojan, 70—were given prison sentences of 18 and 15 months respectively in mid-April 1982, for operating a clandestine seminary in northern Bohemia.[7]

The Czechoslovak security police have scoured church institutions confiscating religious literature and mimeograph machines. They have also been blamed for the murders of Premysl Coufal, a secretly ordained priest, in February 1981, and of Pavel Svanda, a Catholic activist and nephew of Father Thomas Spidlik, in October 1981[8] In the face of this blatant effort to snuff out religious life in Czechoslovakia, it is ironical to see *Rude Pravo* assailing the Church, in May 1982, for the 'escalation of anti-Communism'.[9]

Throughout all this, *Pacem in Terris*, the organization nominally established to protect the interests of the clergy, has observed a striking silence, leaving it to Charter 77 to take up the cause before world public opinion. In fact, in October 1981, with the anti-religious campaign already in full swing, the chairman of the Slovak National Council pointedly praised *Pacem in Terris* for its 'positive attitude towards the socialist state' and for its 'unequivocal support'.[10] This 'positive attitude' on the part of *Pacem in Terris* eventually so inflamed seminarists in Bratislava that, in October of last year, 120 to 150 of them went on a hunger strike to protest against the organization's subversive role. The regime reacted swiftly, shutting down the seminary for the duration of the academic year, expelling five hunger-strikers from the seminary permanently, and suspending 11 others.

Among the various tactics used by the regime in its drive to cow the Church, one has caused particular resentment: the practice of sending secret police agents to seminaries in order to infiltrate the Church and to undercut its independence from within. In a recent instance, Bishop Julius Gabris of Trnava, the first Primate of Slovakia, refused to ordain a seminarist because of the latter's secret police affiliation. Lompart, the seminarist in question, was thus ordained by Bishop Jozef Feranec of Banska Bystrica instead, possibly after intervention by the authorities.[11]

Other tactics employed by the security police range from bribery (in the effort to extract leads regarding secret printing presses etc.) to bringing activists to clinics for psychiatric treatment to physical harassment of clergymen. Slovak priests have lately been conscripted into the army with debilitating effects on the Church, leaving the parish of Velky Krtis, for example, without any clergy at all.[12]

State pressures have not been limited to the clergy, however, and in April 1981, the state conducted a massive investigation of teachers' religious affiliations, inquiring into their attitudes in religious matters and probing into their contacts with churches. Numerous teachers who admitted to having religious convictions were dismissed. In the meantime, pressure was maintained on the religiously inclined public as well.

[7] *Neue Zürcher Zeitung*, 2 October 1981; Radio Vatican in Czech, 29 September 1981, translated in FBIS/Czechoslovakia, 30 September 1981.
[8] *Keston News Service*, No. 137, 18 December 1981; *The Times*, 18 December 1981.
[9] Cited in *Oslobodjenje* (Sarajevo), 5 May 1982.
[10] *Pravda* (Bratislava), 23 October 1981. [11] *Keston News Service*, No. 132, 9 October 1981.
[12] *Glas koncila* (Zagreb), 9 March 1980.

Repeated protests have been articulated—by the clergy and the lay public in Czechoslovakia, by Charter 77, and by the Vatican itself. One of the most intractable issues concerns control of Church appointments. Eight sees remain vacant, but Prague has repeatedly indicated its readiness to approve appointments, provided that the Vatican accept Prague's recommendations for the posts. The Vatican has understandably demurred. Similarly, the government retains the power of appointment for positions in the Catholic seminaries at Bratislava and Litomerice, and has continued to appoint both administrators and professors without submitting the appointments to the Czech episcopate for approval.

Periodical negotiations between the Vatican and the Czechoslovak government have failed to resolve either this or any of a series of other persistent issues among which one might list: the imprisonment and harassment of the clergy; various difficulties in conducting religious instruction; state restrictions on admissions to theological schools and seminaries; the shortage of priests, and the regime's active endeavours to reduce the clerical ranks further; inadequacy in number, distribution and quality of Church publications, and strict regime supervision of the official Church press; inadequacies in the hierarchical structure, expressed above all in the lack of bishops; and the role of *Pacem in Terris* as a kind of Trojan horse, infiltrated by secret police and subservient to the Office for Religious Affairs headed by the professional atheist, Karel Hruza.

## Conclusions

At a first glance, with vacant bishoprics, 600 priests or more stripped of their permits, and *Pacem in Terris* driving a wedge into the Church itself, the Catholic Church in Czechoslovakia would appear to be hopelessly crippled. From that perspective, it seems ironic that the Prague regime should have become unnerved of late at the spectacle of the Polish Church, whose institutional strength contrasts so sharply with the situation of the Church in Czechoslovakia. The conclusion to be drawn, surely, is that, whatever the difficulties of the ecclesiastical hierarchy, Czechoslovak Catholics remain staunchly religious—and, this, for Prague, is the very heart of the problem.

What the regime evidently hopes to accomplish through its recent crackdown on the Catholic Church is to remove or neutralize independent, charismatic clergy, to suppress the religious *samizdat* and to intimidate the hierarchy, forcing it to adopt a more docile attitude. What is happening, however, is that there is a growing rift between the 'progressive priests' of *Pacem in Terris* and clergy opposed to regime control, with the result that the posture of resistance is, if anything, being encouraged. 'Unofficial' religious activities are thus on the rise and there is now a distinct possibility, one might even say probability, that developments in Czechoslovakia will, in a sense, mirror those in neighbouring Hungary, where independent networks of Catholic believers have sprung up in defiance of the established hierarchy's co-operative stance towards the regime. In this event, the Czechoslovak anti-religious campaign could prove self-defeating, by driving the Church into outright opposition and by weakening the attractiveness of *Pacem in Terris* and other institutional instruments amenable to regime control and supervision.

# The European Parliament: in search of institutional change

JULIET LODGE

BEFORE 1979 it was widely believed that the direct election of Members of the European Parliament (MEPs) would be the catalyst for reforming the balance of power between the key decision-making European Community (EC) institutions: the Commission and the Council of Ministers. Moreover, the expectation was that EC decision-making would be 'democratized' in so far as direct elections would vindicate MEPs' claims to a greater role for the European Parliament (EP) in EC decision-making.[1] However, for such a hope to be realized, the Community's inter-institutional balance must be profoundly altered as increases in the European Parliament's authority necessarily involve curtailment not of the national parliaments' already negligible powers *vis-à-vis* the EC but of the Council of Ministers' supremacy in EC decision-making. This brings the EP into direct conflict with the European member governments' resolve to broach no weakening of their pre-eminence in EC decision-making (for that is how they would see any moves to make them share legislative power with MEPs or be accountable to them). Nevertheless, since the first elections to the EP in June 1979, MEPs have been able to alter slightly the EC's institutional balance in their favour, without, however, seeking wholesale reform of key articles of the Rome Treaty to increase Parliament's formal power.

The general climate of opinion favours reforming the EC's institutional balance at least in the name of expediting and streamlining EC decision-making. For the same reason, majority voting in the Council of Ministers has been favoured by many, including MEPs and Commissioners. Over the past decade, a number of reports on institutional matters and European Union have been drafted.[2] Though

[1] Michael Palmer, *The European Parliament: What it is. What it does. How it works* (Oxford: Pergamon Press, 1981). See also Juliet Lodge and Valentine Herman, *Direct Elections to the European Parliament: A Community Perspective* (London and New Haven, New Jersey: Macmillan and Humanities Press, 1982), and Valentine Herman and Juliet Lodge, *The European Parliament and the European Community* (London and New York: Macmillan and St Martin's Press, 1978); also Roger Morgan, 'New tasks for the European Parliament', *The World Today*, October 1979.

[2] See, for example, the Tindemans Report, *Bull. EC*, Supplement 1/76, the Commission's Report on European Union, *Bull. EC*, Supplement 5/75, and the *Report on European Institutions* presented by the Committee of Three to the European Council, Brussels, October 1979. See also *Official Journal* (*OJ*), C234, 14 September 1981.

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some of their recommendations are being gradually adopted, many are forgotten. More recently, the Commission interpreted the so-called 30 May Mandate[3] (which, *inter alia*, asked it to find a solution to Britain's budgetary payments) in an expansive way to encompass matters associated with relaunching the Community: a theme echoed by Monsieur Gaston Thorn at the EC's 25th anniversary celebrations in March when he called for a second-generation Europe.[4] Inevitably, this entails reappraising EC decision-making. MEPs, too, in a series of reports in the summer of 1981 called for important institutional changes (some forecast by the manifestos of the transnational political parties for the direct elections).[5] A new EP Institutional Committee began work in January and has advanced a new draft treaty on European Union.[6] In addition, the 'Genscher–Colombo initiative' for a European Act to endorse certain institutional changes, although criticized as too gradualist, notably by Mr Altiero Spinelli, founder of the Crocodile Club,[7] accords with a number of new practices MEPs have adopted to increase their influence. MEPs acted from a conviction that internal procedural reform was necessary to lighten the EP's agenda, increase its efficiency and bring its work to the public's attention. This was not to be achieved at the expense of time spent on the vital scrutiny work of the Parliamentary Committees, but was designed to enhance both the European Parliament's standing and its effectiveness. MEPs would like to lose the image of being preoccupied with technical minutiae of draft regulations and directives lacking clear relevance to the public and so ignored by the media. At the same time, they had to be careful to avoid arousing false expectations of what they or the EC could achieve, notably in such problem areas as combating rising unemployment.

The EP's new Rules of Procedure came into force on 4 May 1981, having been adopted by roll call vote on 26 March by 271 votes to 11 votes with one abstention, after 629 amendments had been considered and 607 rejected. The rules aimed to simplify and politicize the conduct of the EP's business. More responsibility for organizing parliamentary work now devolves on the political party groups' chairmen, and debates on topical and urgent matters can proceed without discussion of requests for such debates, as had been the practice.[8] Decisions on purely technical matters can be taken by the appropriate scrutiny committees and motions for resolutions entered into a register. If the motions are signed by at least half the MEPs, they are automatically transmitted to the appropriate institutions; if not, they are dropped after a lapse of two months or, if their author so requests, may be referred to the appropriate EP Committee. The Committee then decides by

[3] For a summary of the 30 May Mandate, see *European File*, 16/81, October 1981; and *Bull. EC*, 10–1981, points 1.1.1–1.1.2; *Bull. EC*, 5–1980, points 1.1.7–1.1.18; *Bull. EC*, 6–1980, points 1.2.1–1.2.5.

[4] On his criticism of inter-institutional relations in his report to the EP on the EC's activities in 1981 and on the Commission's 1982 programme, see *OJ*, C66, 15 March 1982; and *Bull. EC*, 2–1982, points 1.1.1–1.1.6 and point 2.4.7.

[5] See *EP Working Documents*, 1–216/81, 1–207/81, 1–71/80, 1–335/81 and 1–226/81; also Geoffrey Pridham and Pippa Pridham, 'The new European party federations and direct elections', *The World Today*, February 1979.

[6] See *Crocodile*, No. 8, May 1982. Compare these views with those of the European People's Party, *CD Europe*, 1, 1982, pp. 10–11.

[7] *Crocodile*, No. 7, December 1981, pp. 1–3. [8] Rule 49.

what procedure the motion (or related motions) for resolution shall be considered. Thus more plenary time can be freed for discussion of pressing political matters relevant to the EC's voters. Moreover, resolutions presented during the three-hour period set aside each session for topical and urgent debates are voted on immediately after the debate.

The new President of the EP, the Dutch Socialist, Piet Dankert, with an eye on the 1984 direct elections, is especially keen to ensure that the Council of Ministers does not continue treating the European Parliament disdainfully, and to impress its relevance on the voters. Consequently, MEPs must dispel popular prejudices about the EP as a gravy train for superannuated parliamentarians, and confront pressing problems realistically. However, it is not enough for them to issue 'own initiative' reports. They need to ensure that their ideas are both well researched and operationally feasible, so that the Commission and the Council of Ministers heed them, and the voters are interested in them.

Perhaps the most important amendments introduced in May 1981 were those relating to the procedure under which the Commission, after submitting a draft proposal to the Council of Ministers, consults Parliament to ascertain its Opinion.[9] In the past, it has been argued often that Parliament's Opinion is of little if any consequence as it is not binding on the Council of Ministers. Moreover, it has not been incumbent on either the Commission or the Council of Ministers to seek the EP's Opinion on amendments made to draft proposals during the course of their own deliberations. Under the new Rules, MEPs scrutinize the Commission's draft proposal initially to ascertain a consensus of opinion. MEPs aim to influence both the content of the proposal and the Commission's subsequent discussion of it with the Council of Ministers by encouraging the Commission either to make amendments (which it may do at any point of the deliberative process prior to the Council of Ministers taking a decision), or to stand by a proposal backed by MEPs in the face of doubt or opposition from the Council of Ministers.

If a Commission proposal is not supported by a majority vote of MEPs, the EP President may, before MEPs vote on the accompanying motion for a resolution, ask the Commission to withdraw the proposal. If the Commission does so, further consultation becomes superfluous and the EP President informs the Council of Ministers accordingly. If the Commission refuses to withdraw the proposal, MEPs may defer voting on it, and refer it back to the relevant scrutiny committee. Moreover, the Chairman or rapporteur of the committee responsible for a policy area under question may propose deferring a vote on a proposal pending a statement by the Commission on amendments suggested by MEPs. If the Commission rejects MEPs' amendments, the vote is postponed and the issue referred back to the scrutiny committee. Thus, by deferring their vote on a Commission proposal, MEPs can delay its passage. As the Treaty enjoins the Council of Ministers to consult the European Parliament in many cases, its own decision could be held up as long as the EP defers the vote. This is important as delays might not only encourage the Council of Ministers to adopt a more co-operative stance towards Commission proposals backed by Parliament, but they might induce the Council at least to

[9] Rule 35.

consult MEPs (possibly informally or via an extension of the 'conciliation procedure') and consider their views.

The new Rules of Procedure clearly build on the European Court of Justice's ruling in Parliament's favour in the isoglucose case (in which the Court annulled a regulation as the Council of Ministers had acted without awaiting the EP's Opinion and had thus breached the treaty provisions governing its consultation of the EP),[10] and should give the Commission an added incentive to take MEPs' wishes into account. Yet, despite recent successes, MEPs have repeatedly criticized the Commission for failing to respond adequately to their views. Even EP President Dankert derided the Commission's claim that it was 'on the same side' as the Parliament against the Council of Ministers.[11]

In May, in response to repeated criticism by MEPs that the Commission statements circulated to them at the beginning of each plenary session were woefully uninformative, Commissioner Andriessen promised to devise proposals to ensure that MEPs received a running commentary on work in progress. Interestingly, in view of the legendary failings of the Council of Ministers in respect of the European Parliament, the new Rules of Procedure allow MEPs not only to review those Council decisions on which they have been consulted but to refer back to the appropriate parliamentary committee matters on which the Council intends to depart from the EP's Opinion. The committee then decides whether action should be taken and an appropriate proposal submitted to the Parliament. Moreover, in December 1981 the Commission advanced improvements to the 'conciliation procedure' to ensure MEPs' more effective participation and to grant them (as well as the Council) the right to initiate it.[12]

In April 1982, for the first time in the European Parliament's history, MEPs, led by Brian Key, successfully deferred the EP's discharge of the budget. Dissatisfaction with the extent to which, in implementing the 1980 budget, the Commission had followed the Parliament's amendments and views, along with discontent over the execution of certain policy matters and examples of fraud and irregularities, led MEPs to insist that the discharge be withheld pending satisfactory explanations from the Commission. Mr Key argued that the Commission had failed to implement the budget responsibly; to manage EC funds in a sound, regular and cost-effective way; to take the wishes of MEPs into account in authorizing agricultural exports to the Soviet Union after the 1980 invasion of Afghanistan; to administer the provisional 1980 budget properly;[13] to curb smuggling of agricultural produce (notably pigs and butter) across the Irish border; to check fraud under the Common Agricultural Policy amounting in 1980 to £11·25 million;[14] and to execute in full the social policy budget.

Some of these failures reflected badly on the already poor public image of the

[10] The Court annulled EC Regulation 1111/77. See *Bull. EC*, 12–1980, points 2.3.1 and 2.3.21.
[11] *Bull. EC*, 1–1982, points 1.2.1–1.2.2.
[12] *Bull. EC*, 12–1981, points 1.3.1.–1.3.7.
[13] On the budgetary procedure, see Michael Palmer, *The European Parliament*, *op. cit.*, Robert Jackson, *Reforming the European Budget* (London: Conservative Political Centre, 1981), and Michael Shaw, *The European Parliament and the Community Budget* (European Conservative Group, 1978).
[14] *The Week* (Luxembourg), April 1982, p. 7.

EC and MEPs who, with an eye on the 1984 elections, were keen to ameliorate the situation. Furthermore, it was important to impress on the Commission its responsibilities towards the Parliament in the financial area where MEPs have the ultimate power of delay and veto. MEPs recognized also that the member governments were responsible for wasting their taxpayers' money by refusing to fix a single seat for the Community institutions[15] and by past injudicious decisions on renting rather than buying buildings for use by the Parliament. However, they did no better themselves: amidst great publicity over the cost of a peripatetic assembly, and after a heated debate within the EP's Political Affairs Committee and in plenary in July 1981, MEPs failed to agree on a seat, with North European MEPs preferring Brussels, and the southerners, Strasbourg.[16] This meant that MEPs could not effectively pressurize the EC member governments to take the decision on the EC's seat incumbent on them under the Rome Treaty. More seriously, it meant continuing wasteful expenditure on transporting documents, officials and MEPs between Brussels, Luxembourg and Strasbourg; it also made more difficult the MEPs' links with their transnational political party organizations based in Brussels, and impeded communication between the Parliament's committees (which only exceptionally meet outside Brussels) and the Commission and the Council. Given the committees' role in scrutinizing EC legislative proposals and the need for easy contact between MEPs and Commissioners, this increases the strains on the Community's already cumbersome and protracted decision-making process.

To remedy these defects, President Dankert has taken bold steps to centralize the EP's work in Brussels. In March 1982, after much debate, the European Parliament's Bureau approved his proposal to restructure the Secretariat to permit at least a gradual move to Brussels. Although many Luxembourg-based officials resisted the move, they recognize the political and administrative logic compelling such a measure. Moreover, if the EP is to be made more visible and its public image enhanced, the attention of the media is vital and the presence of the press corps in Brussels should prove of help.

In preparation for the 1984 elections, which MEPs hope to see conducted according to the common electoral procedures they drafted and endorsed in March,[17] the new EP Bureau, chaired by President Dankert, approved steps making those responsible for information and public relations directly accountable to the EP President. MEPs are acutely sensitive to the need to stimulate public awareness of and interest in their Parliament if a reasonably high turnout is to be achieved. The EP must cease to be only periodically visible when emotive topics or potentially scandalous matters like irregularities over MEPs' travel claims arrest usually unfavourable media and public attention.

The symbolic importance of the move to Brussels cannot be overlooked. The EP will assume a conspicuous identity alongside the Commission and Council

[15] See Roland Bieber and Michael Palmer, 'A Community without a capital', *Journal of Common Market Studies*, 15, 1976, pp. 1–8; and Michael Palmer, 'The role of a directly elected European Parliament', *The World Today*, April 1977.

[16] Zagari Report, *EP Working Documents*, 1–333/81.

[17] These are summarized in *Bull. EC*, 3–1982, point 2.4.5.

which should not be lost on EC voters. Indeed, President Dankert is keen to ensure that the work of the European Parliament becomes more effective and better publicized. The experimental television satellite broadcasts to selected regions in the Ten during May were part of a campaign to inform and launch a European television channel able to prime public opinion, to arouse public awareness for the 1984 direct elections campaigns, and to prove that the European Parliament is a responsible institution that contributes to Europe's policies in a manner responsive to public needs.

## Role in foreign policy

Where MEPs have perhaps been most successful in projecting their views, is in the arena of international affairs. This is somewhat paradoxical as the EC's authority here is strictly limited, notwithstanding advances in and improvements to European Political Co-operation.[18] While it is true that the European Parliament's views on foreign affairs generate more interest outside the Community than within it, resolutions by MEPs on either emotive issues like the Canadian seal cull or, more especially, on international crises have not gone unremarked. Even within the constraints of the parliamentary timetable (which normally sets aside one week per month for plenary work), relatively speedy reaction has been possible and MEPs have been able to advance positions that EC member governments may approve but, for diplomatic or political reasons, feel unable to adopt immediately, if at all.

To some extent, the parliamentary debates on international crises have been a barometer of EC member states' views. For example, four days after the proclamation of martial law in Poland on 13 December 1981, MEPs passed a resolution condemning it. On 4 January 1982, the EC's Foreign Ministers, following an informal meeting in Brussels, published a communiqué stressing their disapproval of events in Poland. More recently, in the Falklands dispute, the EP's deliberations on appropriate responses to Argentina's invasion of an associated territory of the European Community both reflected inevitable differences of opinion and called for a united EC response. The EP's first resolution on the Falklands crisis unreservedly condemned the Argentine invasion and mirrored the statements of 2 and 6 April by the Ten's Foreign Ministers and Commission respectively. However, by May, with EC member governments divided over extending trade sanctions against Argentina (lifted on 21 June), the EP's second resolution condemning Argentina (adopted on 12 May by 131 votes to 79 votes with 11 abstentions) called on the Community's Foreign Ministers to renew the EC import and export embargo. The ensuing debate foreshadowed many of the arguments against the British use of force that had to be countered before agreement on extending the sanctions could be reached. Indeed, Monsieur Junot, a French European Progressive Democrat, linked EC support for Britain in the crisis with a British *quid pro quo* on the EC farm price issue that Britain so misjudged. In general, the EP and member governments tend to agree broadly on aspects of international crises, such as reaction to the Lebanon crisis. In June, MEPs passed a resolution by 106 votes to 90 votes

[18] See *EP Working Documents*, 1-335/81.

with 13 abstentions condemning Israel's armed action in the Lebanon and any preceding terrorist action against Israel.

MEPs have long been pressing for a more extensive role for Parliament in the Community's external relations, particularly in European Political Co-operation (EPC), in the ratification of treaties with other states, and in negotiations leading to the accession of new states to the Community. The Parliament's greater involvement in international affairs would be a logical extension of its international fact-finding missions, concern with human rights, involvement in the joint consultative assembly with the African, Caribbean and Pacific signatories to the Lomé Convention, its visits to and exchanges with other parliaments throughout the world, its right to question the EC's Foreign Ministers and their President-in-Office, and the quarterly colloquies between the Foreign Ministers and the EP's Political Affairs Committee.

Furthermore, MEPs insist that, irrespective of Parliament's lack of formal powers in the field of foreign affairs, parliamentary supervision of the Foreign Ministers meeting in EPC is crucial. They argue that most of the Community's 'domestic' policies have external dimensions; that EPC is operated by the Foreign Ministers and their officials who—despite their official support for European Union—are primarily concerned with guarding national sovereignty and using any agreements reached within EPC to back up national positions on international matters;[19] and that the Parliament is in the habit both of debating major international questions and issuing 'own initiative' reports on them. Indeed, since the 1979 direct elections, MEPs have dealt with many international issues ranging from a boycott of the Olympic Games in the wake of the Soviet invasion of Afghanistan, Iran, the Middle East, Latin America and the CSCE, to European co-operation on arms procurement and the development of a European security policy—an issue not covered by the Rome Treaty, but one that the Foreign Ministers believe needs attention (as suggested also by the 'Genscher–Colombo initiative' and the EP's resolution on European Union passed in July).

MEPs have had good reason to criticize the weakness of existing procedures concerning the Community's external relations. For example, MEPs' questions on EPC developments have frequently elicited belated and uninformative replies, due in part to the difficulty of reaching speedy consensus among the Ten, and also to insufficient ministerial preparation. Moreover, MEPs have so far failed to gain the right to ratify all international treaties concluded by the Community (as recommended by the Tindemans Report and by the more recent reports on European Union). In February, MEPs passed a resolution seeking a role in the negotiation and ratification of treaties of accession to the EC, and of other treaties and agreements (notably on the transfer of nuclear technology) between the Community and other states.[20] In all cases, the EP wants a right to be consulted coupled with a power to delay the conclusion of a treaty if it disputes its provisions, pending the outcome of a conciliation procedure in the case of general treaties, and pending efforts—in the case of accession treaties—by the Council to dissuade European

[19] Blumenfeld Report, *EP Working Documents*, 427/77.
[20] *Bull. EC*, 2–1982, point 2.4.4.

member governments from implementing treaties not enjoying the support of three-fifths of the Parliament's members.

In view of the controversy surrounding the negotiations over Spain's accession to the Community, and widespread concern over the development of the EC's Mediterranean policy, MEPs wish to have at least an effective right of scrutiny over accession treaties. Although MEPs are able to draw the attention of member governments and national parliaments to EP debates prior to accession negotiations and following the signing of the treaties, nothing obliges member governments to heed MEPs' views, or to divulge detailed information—on a confidential basis—during the course of the negotiations: the Luns–Westerterp procedure[21] notwithstanding. While it may be difficult to make a case for in-depth parliamentary scrutiny of the EC's international treaty negotiations, there is little reason to argue that MEPs should not have a role in approving or ratifying non-technical EC treaties. Nor can there be much doubt that the new rules governing the budgetary process will be used as a model for promoting inter-institutional communication on other issue areas, including international relations.

Member governments probably fear that, if MEPs managed gradually to extend their power into the foreign affairs field, they would seek a commensurate increase in power with regard to the EC's internal affairs. The Community's inter-institutional balance would certainly be altered. Consequently, it is perhaps not surprising that the 'Genscher–Colombo initiative' on European Union has been watered down by the Schoutheete working group, and that a group of politicians, business and union members should have formed an action committee to promote a minimalist view of European Union, in which the powers of the member governments rather than those of Community institutions committed to promoting common policies are reinforced. Whatever decision the European Council takes on European Union, there can be little doubt that the European Parliament will continue to pursue greater power and European Union by action seeking to exploit and to revise the existing treaties. Indeed, as discussion of the EP's July resolution on European Union revealed, it is hoped that ratification of treaty amendments to realize European Union will become an issue on which electoral support for the Community can be mobilized. Clearly, modest success before the 1984 direct elections is likely to prove a spur to the second elected European Parliament.

[21] This concerns the Council's consultation of Parliament over external treaties. Details of proposed agreements are referred to the relevant parliamentary committee before the text of the agreement or treaty is finalized.

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# THE WORLD TODAY

OCTOBER 1982

**THE WORLD TODAY**, *founded in 1945, is issued under the auspices of the Royal Institute of International Affairs and published monthly by the Oxford University Press*

**Annual subscription** *Vol. 38 (1982)*
(post free)
*UK £12*
*US $34*
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**Single copies**
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ISSN 0043-9134

# THE WORLD TODAY

ROYAL INSTITUTE OF INTERNATIONAL AFFAIRS

EDITOR: LILIANA BRISBY
EDITORIAL SECRETARY: JEAN PELL

October 1982 Vol. 38 No. 10

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Manuscripts and correspondence should be addressed to the Editor, *The World Today*, Royal Institute of International Affairs, Chatham House, 10 St James's Square, London SW1Y 4LE.

# Note of the month

## LEBANON'S UNCERTAIN FUTURE

THE assassination on 14 September of Bashir Gemayel, Lebanon's former President-elect, created a vacuum in Lebanese politics and a state of deep shock in much of the country. His death has probably deprived Lebanon of the possibility of an early return to strong centralized government, and radically altered the timetable for an Israeli withdrawal from the country. The choice of Gemayel, the Phalangist militia leader, as President-elect had sent shock waves through Lebanon's Muslim community, particularly those on the left. He was generally regarded by them as the most extreme and least conciliatory of the Maronite leaders and the one least likely to have made the political concessions which the Leftists feel are necessary for national reconciliation and the healing of old wounds.

Strong verbal condemnation of Mr Gemayel's election had come from such politicians as Saeb Salam, a former Prime Minister, Walid Jumblat, the leader of the left-wing Lebanese National Movement and Ibrahim Qulailat of the Murabitoun. Anxiety was also expressed by Nabih Berri, leader of the Shiite Amal movement. But as the weeks passed and Gemayel's public statements were conciliatory in tone, the opposition to him became more muted, and for a time it seemed possible that he might be given the chance to govern. This was not to be the case, however, and his violent death removes from the political scene one of the few strong leaders who might just have been able to impose his will on the divided country.

Lebanon's new President—Gemayel's elder brother Amin—faces a complex and wide-ranging set of problems. He must give priority to the rehabilitation of West Beirut and of the war-torn cities of the south; he must draw up a crash programme to rehouse the estimated 60,000 homeless; he must seek to reconcile rival factions and give some political recognition to the leftist groups that have emerged only relatively recently on the Lebanese scene, such as the Sunni-based Murabitoun and the Shiite Amal movements—the latter representing what has become Lebanon's largest single religious community. A prime task is the restoration of law and order and the disarming and disbanding of all militias including that of the Phalangists. Complementary to this is the reimposition of state authority in all parts of the country and a synchronized departure of the remaining Syrian, Israeli and Palestinian forces from those areas of Lebanon still controlled by them.

It is an easy matter to enumerate the many tasks in Lebanon needing urgent action. It is quite another for them to be tackled effectively. Past experience in the years since the end of the civil war has shown that entrenched attitudes and factional jealousies have often combined to thwart the best-laid of plans. The recent horrific massacres of Palestinian refugees by Lebanese militiamen emphasize the depth of hatred that can exist between communities and which makes the task of reconciliation almost impossible. Much will depend on the government's

success in creating a general climate of confidence and in satisfying the demands for a voice in the country's affairs by those groups at present not represented under the traditional Lebanese confessional system. Lebanon's current political problems should be viewed against the background of its recent past. The principle of confessional balance under which a precarious political stability had been preserved until the late 1960s was seriously undermined by the civil war of 1975–6 and the years of violence which followed. This principle, enshrined in the National Covenant of 1943, reflected the situation in the country at a time when there was a Maronite majority. By 1970, the sectarian balance stipulated for parliamentary representation was invalid and no longer represented the true state of affairs. Muslim's have now become the majority community and are demanding amendments to the Constitution which reflect this. Sympathetic handling of this sensitive issue will go some way to reassuring Leftist politicians. On humanitarian and law and order issues the new President can count on the support of the silent majority of Lebanese who want nothing more than to live their lives in peace and security. One hopes also that he will be able to count on restraint and self-discipline by sectarian leaders so that provocations are kept to a minimum in the difficult time ahead.

On the question of foreign occupation, the new leadership will have to tread warily as much is dependent on future Israeli plans. With the enforced departure of Syrian and Palestinian forces from Beirut and the south, the stage looked set for an Israeli withdrawal from the areas surrounding the capital. But the assassination of Bashir Gemayel and the subsequent Israeli occupation of Muslim West Beirut have changed the situation. Bashir Gemayel was the man upon whom Israeli hopes for a future normalization of relations between the two countries rested. His death seems certain to prolong the Israeli occupation of Lebanon and brings with it risks of Israeli involvement in the quagmire of Lebanese politics. Israel has succeeded in its aim of creating a buffer zone 25 miles wide in southern Lebanon to provide protection for the inhabitants of its northern settlements. It is not clear, however, whether Israel wishes to try and formalize this arrangement by incorporating it into a future peace treaty with a unified Lebanon. It may prefer to continue to rely for its security on an enlarged area under the control of its surrogate, the renegade Major Haddad, whose future relations with the Lebanese state are still unclear. Israeli pressure for a peace treaty will impose heavy strains on any new Lebanese government at this time.

The north and east of the country present furthe problems for the government because of the presence of Syrian and Palestinian forces in both areas. In the Bekaa valley, a dangerous confrontation is taking place between the Israelis and Syrian troops backed by Palestinian guerrillas, which could easily escalate into a further round of full-scale fighting. Lebanon must pin its hopes for progress on this issue on further United States mediation. With America's full commitment to securing the withdrawal of all foreign forces from Lebanese territory and with Syrian and Israeli assurances that they are willing to take part in a simultaneous withdrawal, some hope of progress does exist. Whatever the situation in the extremities of the country, the new President must try and win the support of

the half million Muslims of West Beirut. This is of vital importance in the wake of the atrocities committed against the Palestinians in the nearby camps of Sabra and Chatila.

A rapid start should also be made in the long task of reconstructing Lebanon's shattered cities. Comprehensive plans already exist for rebuilding those areas of Beirut damaged in the civil war. These must be up-dated and extended to cover the whole country. Funds for this purpose are expected to come from government borrowing abroad, from private investment and from foreign aid. There is also a strong case for the payment of Israeli war reparations. If the rehabilitation of Lebanon could proceed amid conditions of peace and security and without foreign interference, then the entrepreneurial skills of its people should set the country on the slow road to recovery. The country itself needs a breathing space to take stock of the recent changes. The return of the multi-national peace-keeping force should provide the needed reassurance. Given the right blend of leadership, the departure of Syrian and Palestinian units from Beirut and the south and the dismantling of the PLO infrastructure could provide new opportunities for progress towards solving Lebanon's problems. But renewed violence, exemplified by the Gemayel assassination and the massacre of Palestinians, is an ever-present danger which, when added to the unknown designs of the Israelis, emphasizes the complexity of the situation. The tasks facing the new Lebanese leader are formidable. For the sake of Lebanon and its people, one can only hope that he is capable of responding to the challenge.

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# Europe, America and the Soviet threat

PHIL WILLIAMS

THE Soviet invasion of Afghanistan in December 1979 ushered in a series of crises and controversies in Atlantic relations, the depth and extent of which have made earlier periods of tension and strain appear relatively short-lived and, for the most part, almost tranquil by comparison. The number of issues on which the Europeans and Americans have clashed is, apart from a brief period in late 1973 and early 1974, unprecedented. Mutually reinforcing economic and security difficulties have magnified transatlantic divisions and intensified the general sense of malaise in Nato. In circumstances where conflict is more pervasive than ever before, it is conceivable that policy-makers and parliaments in both Western Europe and the United States will begin to think less in terms of a troubled partnership than of a possible end to partnership, that the familiar framework of Atlantic security and co-operation will be called into question and that an alliance relationship which has hitherto been remarkably resilient and enduring will be seen as fragile, unstable and transient.

## Differing threat appraisals

One source of Atlantic discord, of course, is that the United States and Western Europe have seriously divergent perceptions of and policies towards the Soviet Union. During the period since Moscow's intervention in Afghanistan, it has become commonplace to observe that the European members of Nato, by clinging to notions of 'divisible détente' have been out of step with a United States that has reverted to foreign and military policies which, despite the continuation of grain sales and the re-opening of arms control negotiations, seem appropriate primarily to a period of Cold War. This divergence of approach to the Soviet Union is generally accepted as one of the many facets of the current crisis in Nato. It is arguable though that, far from being merely another issue, differing threat perceptions go to the very core of Atlantic relations. The Alliance was created to contain the Soviet threat to the security of Western Europe and, by extension, of the United States. For the members now to disagree about the very nature and scope of that threat, therefore, suggests that the Alliance, to put it simply, is in trouble. Indeed, uncoordinated assessments of both the immediacy and the salience of the Soviet threat to Western security are a major source of many of the current strains and tensions between Washington and the European allies. American antipathy towards the Siberian gas pipeline, arguments over economic sanctions against the Soviet Union in the aftermath of both the Afghanistan intervention and the imposition of martial law in Poland, haggling

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over European defence spending and support for possible out-of-area operations involving the Rapid Deployment Force, and the controversy over theatre-nuclear-force modernization and arms control can all be traced back, largely although not exclusively, to competing conceptions of Soviet capabilities and intentions.

This is not to suggest that either the United States or Western Europe is monolithic in its outlook. There are significant differences both within and between the European states: Mrs Thatcher takes the Soviet threat more seriously than Mr Foot, while Chancellor Schmidt, although far from complacent, is perhaps less concerned than President Mitterrand. Furthermore, the debate in Europe is mirrored in differences of approach between various departments and agencies in Washington, most particularly between State and Defense. Nevertheless, the predominant attitude in Washington is that the Soviet Union is inherently dangerous and untrustworthy, that it has surpassed the United States in military capability at both the conventional and the nuclear level, and that consequently it can be expected to pursue an expansionist and adventurist foreign policy. Ideas of regulating or moderating the super-power relationship through a mutually acceptable code of conduct have fallen into disrepute, and although the arms control process has been reinstated at both the European and the strategic level, it does not require a great deal of cynicism to interpret this as an attempt by the Reagan Administration to legitimize both its strategic modernization programme and the proposed deployment of cruise missiles and Pershing in Europe. Although the initial demand for cruise and Pershing came from Western Europe, there is nevertheless a tendency to play down the dangers from the Soviet Union, to see increased Soviet military capabilities as a cause for concern but not alarm, and to believe that the Soviet Union has a sufficiently high stake in maintaining European 'détente' to ensure that it will refrain, wherever possible, from action likely to alienate Western Europe. Whereas United States policy-makers condemn the Soviet Union for the clamp-down in Poland, the Allies are more sensitive to Moscow's restraint in handling what was, after all, an even more fundamental challenge to its dominance in Eastern Europe than the Czech liberalization of 1968. In addition, the West Europeans are anxious to see renewed moves towards super-power accommodation and, despite the poor record of the 1970s, still see arms control as a means of enhancing their security.

The effect of all this on the Western Alliance has been severely debilitating, provoking not only highly abrasive exchanges about East–West policy but also charges of West European disloyalty on the one hand and United States recklessness and irresponsibility on the other. Arguments about the appropriate mix of policies for Nato members to adopt towards the Soviet Union have been elevated to a symbolic level: the issue has become a test of European fidelity on the one side and a test of American leadership and statesmanship on the other. It is essential, therefore, both to identify the main causes of these divergent threat assessments and to consider whether or not they are likely to be reconciled sufficiently for the Allies to adopt a more concerted and unified approach to the Soviet Union.

Although disagreements over the Soviet challenge reached a new intensity after 1979, they are not entirely new. Since the early 1950s, there have been considerable differences over the geographical scope of the threat, with the Europeans regarding it as essentially a regional problem and therefore abdicating responsibility to the United States for containing Soviet influence outside the Nato area. There have also been disagreements about the nature of the threat in Europe, however, and these have manifested themselves in arguments about 'how much is enough?' and 'who should do what', especially at the level of conventional forces. These burden-sharing controversies, although a continuing irritant in Atlantic relations may have provided a surrogate which, for a time at least, allowed the Allies to avoid confronting the more fundamental, and potentially more divisive, questions about the precise nature of the Soviet threat. The American reversion to a hard-line posture during the 1970s made the continued evasion of these questions much more difficult; the apparent disparity between a United States Administration which was increasing defence spending by over 5 per cent a year, and European allies, some of whom were not even meeting the 3 per cent per annum real increase that they had committed themselves to in 1978, made it impossible.[1]

At the same time, the United States critique has clouded rather than clarified the issue. Not only have the critics underestimated the European contribution to defence, but they have also assumed too glibly that the reluctance of some European governments to share Washington's assessment of the Soviet threat is motivated solely by expediency and not by conviction. Rather than seeing the Allies' unwillingness to augment further their defence budgets as the result of an evaluation of the Soviet Union at variance with that prevailing in Washington, some US officials, and more especially members of Congress, have treated it as a cause of the assessment. In other words, the West Europeans' relative complacency about the Soviet Union is regarded as self-serving because it requires lower expenditure on military capabilities than is really called for: considerations of the feasible seem to determine what is regarded as desirable or is necessary.

This argument cannot simply be dismissed. Given the prevailing concerns in some European countries about the scale of public expenditure, together with the desire to maintain the structure of the welfare state, the 'opportunity costs' of defence do appear particularly onerous. Furthermore, the dilemmas of resource allocation seem likely to intensify rather than diminish in the years ahead, unless there is a marked upswing in levels of economic growth. As one commentator on the Atlantic Alliance has observed, 'Everything points to the fact that governments are going to be forced to manage a " revolution of declining expectations" . . . the industrial democracies are confronting an era in which economic growth rates will be lower, and inflation rates and unemployment higher than has been the case throughout most of the post-war period.'[2] In these circumstances, the belief that the Soviet Union is pursuing a foreign policy which, in Europe at

[1] On other criteria of burden-sharing, of course, the Europeans were doing much more than this suggests. For a balanced and constructive analysis see P. Foot, *Problems of Equity in Alliance Relations*, ASIDES No. 23 (Aberdeen: Centre for Defence Studies, Summer 1982).

[2] G. Flynn, *The Internal Fabric of Western Security* (London: Croom Helm, 1981), p. 47.

least, is orientated towards the status quo and committed to an avoidance of high risks is extremely convenient. It will not necessarily make resource allocation choices any easier, but it will at least prevent them from becoming even more painful. This gives some credence to the argument that Western Europe's adherence to 'détente' in spite of all the evidence about Soviet bad faith springs from a regrettable short-term preoccupation with economic self-interest, the result of which has been a dangerous down-grading of security.

For many Americans, such a conclusion has been strengthened by the European stance on East–West trade. The reluctance of the Allies to follow the US lead in imposing sanctions on the Soviet Union after Afghanistan and the French insistence on continuing normal commercial relations led to accusations that the Allies were 'cashing in' on the renewed tension between Washington and Moscow and were rushing to take advantage of the trading opportunities provided by the American action.[8] Once again, economic self-interest was seen as taking precedence over security considerations, an interpretation which has been reinforced by the dispute over the Siberian gas pipeline and, in American eyes, the willingness of the West Europeans to make themselves more dependent on the Soviet Union. Indeed, to critics all this is compelling evidence of a West European move towards self-Finlandization. When interpreted against a background which includes the emergence of the European nuclear disarmament movement, the reluctance of some allied governments to accept the Reagan Administration's appraisal of the Soviet threat and their desire to maintain the dialogue with Moscow seem to provide evidence of a new pacifism and neutralism in Western Europe. This, in turn, raises fundamental questions about the value of Nato. Within the last two years, there has been a growing sentiment in both the United States Congress and press that the Allies no longer have the physical or moral fibre which makes them worth defending. Western Europe has turned from an asset into a liability. The result has been a resurgence of demands that United States troops be withdrawn from the Continent, a movement spear-headed by Senator Stevens of Alaska, the Assistant Majority leader, who in the early 1970s was a committed opponent of Senator Mike Mansfield's attempts to do the same thing. Even officials and Congressmen more sympathetic to the Allies have warned that a further lack of resolve or continued unwillingness to meet their obligations to the common defence will inevitably provoke American unilateralism—with devastating consequences for the US security guarantee to Western Europe. The presumption of both the critics and many of the Atlanticists is that United States perceptions of the Soviet Union are correct and that the West European assessment is wrong: the Allies are allowing themselves to be seduced by temporary expediency and to be misled by crass considerations of economic self-interest. The solution to the current crisis in Atlantic relations, therefore, is simple—the Europeans must merely readjust their policies and fall into line.

[8] See, for example, J. O. Goldsborough, 'Europe cashes in on Carter's cold war', *New York Times Magazine*, 27 April 1980. For a comprehensive and balanced treatment of the issues, see S. Woolcock, *Western Policies on East–West Trade*, Chatham House Paper No. 15 (London: Routledge and Kegan Paul, 1982).

**The source of tension**

Both the interpretation and the resulting prescriptions, however, are open to challenge. Although differing interests obviously do play a part in shaping European and American attitudes and policies towards the Soviet Union, the causes of the divergence in approach are more wide-ranging and more complex than this suggests. Moreover, merely because the West European view of the Soviet Union differs from that of the United States does not necessarily mean that the Europeans are wrong or misguided, or that they should automatically fall into line with American preferences. This becomes even clearer on examining the sources of the Atlantic divergence.

In the first place, the Soviet threat, like other threats, does not necessarily inspire unanimity. It is a question on which men of good will and sound judgement can legitimately disagree. Threat assessment, after all, is concerned with the uncertain, the imponderable and often the unknowable. Even at the most tangible level, that of capabilities, problems abound. Not only do qualitative as well as quantitative criteria have to be taken into account, therefore, when discussing Warsaw Pact capabilities, but there are inevitable question marks about the performance of both weapons systems and troops under combat conditions, about offence-defence ratios, about the reliability of several East European armies and about the circumstances in which hostilities in Europe might be transformed from a conventional to a nuclear level. In other words, assessments of the military balance often convey a sense of precision that is spurious as even so-called hard facts turn out to be soft at the edges. Even though threat evaluation is an activity in which there is little room for dogmatism, it is pervaded by dogmatists. Yet this should not be wholly surprising. Estimates of the military balance between adversaries may become entangled with budgetary considerations and bureaucratic battles: they often result less from dispassionate analysis than from myth, prejudice and considerations of political or partisan advantage. As one American analyst put it, gaps (nuclear or otherwise) are made for filling.[4] If the adversary's capabilities are less amenable to precise evaluation than is often assumed, estimates of intentions are even more problematical. The difficulty here lies in attempts to come to terms with motivation: are the adversary's policies animated by offensive or defensive considerations, by long-term aspirations or by short-term necessities; are specific actions the product of comprehensive design or hasty improvisation?

Faced by ambiguous or discrepant information, there is a tendency for both individuals and governments to rely on pre-existing images as a guide to action. In this connexion, it is arguable that United States policy-makers approach the Soviet Union with an 'inherent bad faith' model.[5] This is a result of the United States strategic position, combined with ideological or cultural factors and reinforced by domestic political considerations.

The United States, both as leader of the Western coalition and as a global

[4] Kenneth Waltz in a lecture to the British International Studies Association Conference, University of Keele, December 1979.

[5] See R. Jervis, *Perception and Misperception in International Politics* (Princeton N.J.: Princeton University Press, 1976), pp. 310-11.

power, has a unique sensitivity to Soviet foreign and military policy. In a world that militarily is still largely bipolar, it could hardly be otherwise. Furthermore, throughout the 1970s the United States had to contend with the fact that the Soviet Union had not only obtained nuclear parity but in some indices of the strategic balance was actually ahead. Although it is arguable that the so-called 'window of vulnerability' reflects distorted 'worst case' thinking rather than the realities of a strategic balance which inspires prudence rather than recklessness in Soviet leaders, it is nevertheless understandable that for a state which had nuclear superiority for so long, parity is not only uncomfortable but difficult to accept. For Europeans, much more used to military vulnerability, the changes in the strategic balance look less dramatic.

Similarly, the European allies have traditionally been more sanguine than Washington about Soviet advances in the Third World, relying on the forces of local nationalism to negate any gains Moscow might make and prevent temporary advantage turning into permanent pre-eminence. For the United States, however, Soviet behaviour in the developing world was both a litmus test of Moscow's sincerity and one of the keys to the future of détente. Indeed, for the Nixon Administration détente was, in part at least, a device to elicit Soviet restraint and thereby facilitate the American military retrenchment necessitated by years of overcommitment and serious domestic divisions. The US concept of détente was enshrined in the idea—formalized in the Basic Principles of Relations agreed at the Moscow summit in 1972—that neither super-power would attempt to obtain unilateral advantage at the expense of the other. The contradiction between this and the Soviet notion of peaceful but competitive coexistence was glossed over.[6] When Moscow did not exhibit the kind of restraint the United States expected, therefore, Washington felt betrayed. Thus Nixon's attempt to move away from a policy based on the 'inherent bad faith model' by being over-optimistic (and oversold domestically) led to that image being reinstated more powerfully than ever.

Yet this is not really surprising. Antipathy towards Communism—and towards the Soviet Union as its most powerful exponent—is deeply embedded in American society in a way that finds few parallels in Western Europe. Indeed, as a recent Congressional report pointed out, 'The Marxist critique of capitalism has deep historical and political roots in Europe. A number of European countries have large Communist parties. Many Europeans regard Marxist ideals as a source of inspiration, even if they reject the systems that have been spawned by the Russian Revolution.'[7] Thus the CPI, for example, can embrace Marxist ideology while simultaneously being concerned about Soviet military power and the challenge this poses to West European security. In the United States, in

[6] See A. L. George, *Towards a Soviet-American Crisis Prevention Regime*, ACIS Working Paper No. 28 (Centre for International and Strategic Affairs, UCLA, November 1980). For the text of the Basic Principles Agreement see US Department of State Bulletin, June 26, 1972, pp. 898-9.

[7] *Crisis in the Atlantic Alliance: Origins and Implications*, prepared for the Committee on Foreign Relations, United States Senate, by the Foreign Affairs and National Defense Division, Congressional Research Service, Library of Congress, March 1982 (Washington DC: US Government Printing Office, 1982), p.14.

contrast, Marxist and even socialist ideas are anathema. Although there is a tendency to regard McCarthyism as a mid-century aberration (especially in terms of its inquisitorial methods which were widely regarded as repugnant), the values which not only sustained it but allowed it to flourish for as long as it did, were not far removed from the mainstream of American political life. McCarthyism was an internal manifestation of the pervasive anti-Communism which has been such an important determinant of America's external policy since the late 1940s. It also reflected the existence of a strong Right and a weak and vulnerable Left in the United States. Yet McCarthyism in turn helped to give the Right almost mythological power. This has had far-reaching consequences for US policy towards the Soviet Union, creating peaks of hostility against Moscow at certain junctures in American political life. The spectre of a resurgence of McCarthyism has haunted succeeding Presidents, especially Democrats, who sooner or later, have found it necessary—or at least advantageous—to establish their hard-line credentials. Presidential elections in particular have put a premium on a more hostile approach towards the Soviet Union. Thus, although 'anti-Communism is a more or less permanent feature of American politics', there have been periods in which perceptions of the Soviet threat have become even more intense than usual.[8] This has been determined in part by Soviet behaviour, but the pressures of US domestic politics have certainly not been insignificant. While President Carter's post-Afghanistan shift was almost certainly the result of a genuine change in his beliefs about the Soviet Union, it was also politically convenient. By moving to the Right the President may well have hoped to pre-empt Republican criticism of his foreign and defence policy. It is hardly surprising, therefore, that just as many Americans see European policy towards the Soviet Union as undermined by European resource-allocation dilemmas, so the Europeans see US policy as the frequent victim of electoral politics: the term détente was a casualty of the 1976 campaign for the Republican nomination while SALT II, even prior to Afghanistan, was running foul of the Presidential contest of 1979-80. This also helps to explain why the Allies are often reluctant to follow the American lead.

If perceptions of a heightened Soviet threat often prove convenient at the Presidential level, their appeal also extends to other groups and forces in American society. Both the defence industry and the military services have a much stronger position in the US than do their counterparts in Europe, not least because of their strong links with Congress. And both these groups (like their Soviet counterparts) have a vested interest in inflated perceptions of the threat from the adversary super-power. Soviet military activities and weapons developments provide powerful arguments for augmenting American capabilities either to counter or to offset any advantage that might otherwise accrue to Moscow. The notion of 'essential equivalence' developed by the Secretary of Defense, James Schlesinger, in the early 1970s is a highly elastic one which can be used to legitimize developments which a more discriminating approach might reject.

[8] A. Wolfe, *The Rise and Fall of the 'Soviet Threat'* (Washington DC: Institute for Policy Studies, 1979), pp. 30-1.

Its use was obvious in the debate on the US budget deficit which took place in the first half of 1982: when it was suggested that proposed increases in military expenditure be reduced, the Joint Chiefs argued that even the programme initiated by President Reagan would not guarantee that the United States catches up with the Soviet Union or is able to inhibit Soviet risk-taking.

On top of all this, it seems that the Europeans and Americans conceive of security rather differently, that the Americans still adhere to a narrow military conception (although with a genuflexion towards energy security) while the Allies have embraced a much broader notion which treats political, social and economic instability in Europe as being as much of a danger as external aggression. In this latter view, more money devoted to defence does not necessarily mean greater security—and can actually be counter-productive if the corresponding reductions in social welfare expenditures provoke domestic criticism and unrest. This European approach arises naturally in countries with a tradition of state intervention in society. Although the United States has reluctantly succumbed to the same kind of intervention, the Reagan Administration seems determined to reverse the trend and free US society as far as possible from encroachments by the state. In the light of this philosophy, the current Administration is not particularly sympathetic to allies who regard the 'internal fabric' of society as the key to security in the 1980s and 1990s.

Thus, although Nato is, for the most part, an alliance of liberal democracies with shared values and assumptions about politics and society, there is neither uniformity nor unanimity. Furthermore, the differences in the political cultures, historical experiences and intellectual traditions of the United States and Europe have done much to shape the conflicting prescriptions for dealing with the Soviet Union. What, though, are the prospects for some reconciliation of views and the adoption of a more concerted approach? There are some indications that progress has been made towards this goal and that there are several trends which might portend a further meeting of minds rather than a parting of the ways.

## A new Alliance consensus?

In the first place, there is some evidence that the West Europeans have become less parochial and are prepared to look more closely—if in the Alliance context, still informally—at problems outside the Nato area. The deployment of French and British naval forces in the Gulf region has been relevant here, while the Bonn summit in June (or more correctly, the prior negotiations) seems to have resulted in a broad agreement that the Alliance should 'examine collectively . . . the requirement which may arise for the defence of the Nato area as a result of deployments by individual member states outside that area.'[8] There may still be arguments about precisely what the Europeans have to do either to facilitate the rapid deployment of US forces in Europe to deal with out-of-area contingencies or to compensate for the gap left in Europe by such deployments; nevertheless, agreement in principle is an important step forward.

[8] *Document on Integrated NATO Defence*, M-3(82)18, Bonn, 10 June 1982, NATO Press Service.

Equally constructive at Bonn was the Reagan Administration's apparent desire to play down the 3 per cent request for defence budgets—although it is doubtful that this will succeed entirely in defusing the burden-sharing controversy so long as many Congressmen contine to regard the figure as a test of whether or not the European allies are prepared to meet their obligations. The burden-sharing arguments could, in fact, become more intense as concerns over the American budget deficit put a premium on lower United States defence expenditure than currently projected. Fiscal conservatism from which defence is exempted ceases to be fiscal conservatism. And if the defence budget is a legitimate target for cuts, then the Allies may be expected to make up the resulting shortfalls in expenditure and capability—especially if, as seems possible, the American military presence in Europe is seen as a major cost on which significant savings can be made. Alternatively, US perceptions of the Soviet threat could be revised downward. Although this might be politically hazardous, the Reagan Administration's conservative credentials at least make it feasible. Furthermore, such a revision could appear increasingly attractive if the Administration came to realize that continual harping on Soviet military superiority could be self-defeating and induce a crisis of American confidence in any East–West confrontation.

The answer may lie in more vigorous pursuit of an arms control agreement which—like SALT II—would place firm restrictions on Soviet strategic modernization programmes. And here again, there is some, albeit not much, hope for progress. Although, as suggested above, there are still differences in the degree of commitment to arms control in Washington and Western Europe, the Administration has responded reasonably positively to European demands that the process be reinvigorated. Furthermore, the choice of chief negotiators for both the talks on Intermediate Nuclear Forces and START is an inspired one. With Paul Nitze and General Rowny, two impeccable cold warriors conducting the talks, any agreements which may ultimately emerge would probably—unlike SALT II—be acceptable to the Right. Indeed, the Reagan Administration—as the Nixon Administration before it—is in a reasonably strong position to re-establish a more orderly and regularized relationship with Moscow. Despite the rhetoric, super-power relations are not a zero-sum contest, and Moscow and Washington do have a compelling mutual interest in ensuring that their competition does not lead to confrontation. One of the most valuable features of détente was that it involved a transformation in the super-power relationship: the intermittent and tenuous co-operation to manage crises that had been a characteristic of the Cold War was superseded by more extensive co-operation to prevent or avoid confrontations. Recognition of this, and an attempt by the Reagan Administration—if only by some kind of symbolic action—to consolidate it would not only be in the interests of the United States, especially given its doubts about the balance of power, but would also receive widespread approbation in Western Europe. It would make the Europeans feel that the United States is beginning to realize that attempts to isolate Moscow, economically, politically and strategically, could be counter-productive and make the Soviet Union more, not less, willing to take risks.

In other words, there is some common ground on which, with a more accommodating and less self-righteous approach to each other by both West Europe and the United States, an agreement on the Soviet threat might be worked out. Nevertheless, the obstacles to this should not be underestimated. Some of the ideas which have recently emerged from the Pentagon, especially those relating to 'horizontal escalation' and 'protracted nuclear war', are hardly such as to inspire European trust and confidence in American policy. Furthermore, disputes over other issues, such as steel, may so charge the atmosphere that further recrimination about venal Europeans on the one side and reckless and irresponsible Americans on the other, becomes virtually unavoidable. In such circumstances, the prospects for the future of the Western Alliance would be bleak indeed—and the Soviet Union would then become much more of a threat to the integrity and independence of Western Europe than it is today. To prevent this is a formidable task requiring a willingness to collaborate, mutual tolerance and goodwill, skilful Alliance management and a large element of luck. Only if all these conditions are present will the Atlantic partnership remain intact—still troubled but intact.

# Mitterrand and the Middle East

THOMAS CAROTHERS

FRANÇOIS MITTERRAND's election last year raised expectations of change in French foreign policy, especially concerning the Middle East. The new Socialist President was well-known as a friend of Israel and had long been critical of French pro-Arab policies. Unlike his predecessor, Giscard d'Estaing, Mitterrand actively supported the Camp David accords, viewed unfavourably the claim of the Palestine Liberation Organization (PLO) to sole representation of the Palestinians, and had been to Israel a number of times. During the election campaign, the Middle East had been debated frequently, with the Socialist candidate taking issue with the outgoing President's policy of arms sales to the Arab states, the programme of nuclear co-operation with Iraq, the diplomatic cold-shouldering of Israel, and the French government's general tendency to encourage French-Arab relations at any price. Mitterrand's criticisms of Giscard's policies in the Middle East and elsewhere were based largely on moralistic rather than pragmatic grounds. This reflected the fact that for 23 years the French Left had been confined to formulating foreign policy in the abstract, in opposition to the conservatives' practice. Since taking office, Mitterrand and his Socialist team have had to reconcile the moralistic

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component of their ideas on foreign policy with the reality of French economic and political interests in the world. In the Middle East, the result has been an ambiguous and essentially two-sided policy which is an uneasy compromise between Mitterrand's pro-Israeli sentiments and French interests in Arab oil, arms sales and petrodollar trade. A renewal of the once celebrated French-Israeli friendship has been realized, but only in the context of a protracted campaign to guard France's close relations with the Arab world.

**Reassuring the Arabs**

Initially, the Arab states were extremely wary of the new French government. Gaullism has great prestige in the Arab world and it was feared that the victory of the Socialists would be the death-knell of this favoured philosophy, spelling the end of France's famous 'independence' in the Middle East. Mitterrand, however, wasted no time in setting out to reassure Arab governments about his intention to maintain and even improve French-Arab relations. To begin with, the choice of Michel Jobert (Pompidou's former Foreign Minister, a well-liked figure in the Arab world) as Trade Minister and of the moderate Claude Cheysson as Foreign Minister relieved many Arab worries. Even more important was the announcement, soon after the Socialists took power, that all existing contracts between France and the Arab states would be honoured. Arms sales were reviewed, as had been promised in the election campaign, but sales were not curtailed to any of the Arab states. A broad diplomatic effort was undertaken to allay any remaining Arab doubts: special envoys were sent to Arab capitals, five major Arab leaders were received in Paris soon after the election and Cheysson, Jobert, and Mitterrand himself all visited the Arab world in the first six months after the victory of the French Socialists. Mitterrand spoke out clearly and often in support of the creation of a sovereign Palestinian state.

At the centre of this general push towards the Arab camp was a special effort to court favour with Saudi Arabia. The French-Saudi friendship had begun to blossom in the last years of Giscard's presidency. The Saudis had taken up the slack in France's oil supply resulting from the virtual cut-off of Iraqi oil which had followed the outbreak of the Iraqi-Iranian war and Saudi Arabia accounted for almost 55 per cent of French oil imports by the middle of 1981. In addition, French arms sales to the Saudis were surging ahead with the spectacular 14 billion franc order for naval equipment that came at the end of Giscard's term. Mitterrand did not shy away from these facts. Immediately upon taking office, he wrote to King Khaled affirming his intention to promote French-Saudi relations and, in particular, to continue French-Saudi co-operation. Three personal envoys, including the President's brother Jacques (a retired Air Force general, now head of SNIAS, a national aerospace company), were sent in close succession to Riyadh. King Khaled was received in Paris in June 1981 and came away from his visit delighted with the new French leader's co-operative attitude. Mitterrand chose Saudi Arabia for his first presidential trip abroad rather than Israel, as had previously been hinted. That trip, in September 1981, was a diplomatic success. In its wake, Mitterrand appointed himself leading European spokesman for the Saudi Fahd

Plan for peace in the Arab-Israeli conflict—a stance that only increased his standing in the Saudi camp.

Mitterrand has succeeded in improving French relations with several other Arab states as well. Under Giscard, political relations with Egypt had sunk to a low owing to the French President's disapproval of the Camp David accords. Mitterrand's moderation on this question set the ground for a return of the previously warm French-Egyptian friendship. The death of President Sadat provoked hesitation on all sides, but by February of this year Cheysson was in Cairo announcing the signing of contracts for the sale of Mirage 2000 jets and praising the new Egyptian government. French-Libyan relations had also plummeted in the later years of Giscard's presidency, largely because of disagreement in Africa, most notably concerning the Libyan invasion of Chad.[1] Early in Mitterrand's presidency, Colonel Qaddafi withdrew his troops from Chad (for reasons of his own) effectively clearing the way for a rebuilding of ties with France. Although Mitterrand hesitated about restarting the embargoed arms sales to Libya, he did dissociate himself from Washington's campaign against the Libyan leader and there were reports of intense bridge-building activity behind the scenes between French and Libyan diplomats.

Finally, with respect to Iraq, Mitterrand has shown the same resolve to cement the already close French economic and military ties. In contradiction with his promise to Israeli Socialists in December 1980, Mitterrand has continued and even increased French arms sales for the equipment of Hussein's war machine. Jobert went on a trade mission to Baghdad in October 1981 after the Iraqi Vice-Prime Minister, Tarek Aziz, had visited Paris in August. Aziz was asked by French reporters after his talks with French leaders if he knew that, in principle, new arms sales to Iraq were to be proscribed. Surprised, he responded, 'I have heard no talk of that here.'[2] The thorniest problem in French-Iraqi relations has been the question of the rebuilding of the Iraqi nuclear reactor 'Osirak'. Despite his pre-election condemnation of French-Iraqi nuclear co-operation, Mitterrand agreed within three weeks after the Israeli bombing to resupply Iraq with a new reactor.[3] Then, hesitating between his Iraqi and Israeli friendships, the French leader vacillated for six months over whether or not to furnish Iraq with a reactor identical to the original one. In the end, a compromise was decided upon: France will supply a reactor essentially identical to the original Osirak except that the new reactor will use low-enriched, 'caramel' fuel instead of the highly-enriched, weapons-grade uranium used before.

### Difficulties with the Israelis

In parallel with the concerted effort to preserve and improve France's relations with the Arab states, the anticipated rebuilding of French-Israeli relations has been undertaken by Mitterrand and his team. This effort, however, has run into a continuing series of obstacles which have only grown as Mitterrand's presidency

[1] For background, see Julian Crandall Hollick, 'French intervention in Africa in 1978', *The World Today*, February 1979, and 'Civil war in Chad', *ibid.*, July–August 1982.
[2] *Le Monde*, 22 August 1981. [3] *Tribune Juive*, 17 July 1981.

has progressed. Problems arose very early on. In June 1981, Israel bombed the French-built Iraqi reactor killing a French technician. The raid came just as Begin and Mitterrand were initiating official contacts and caused the French leader to say that the 'capital of confidence' he and Begin had started with had been unfavourably affected.[4] Menachem Begin's re-election at the end of June 1981 further limited the French-Israeli reconciliation. Mitterrand's ties with Israel have traditionally been with the Israeli Labour Party and he has little personal sympathy for the conservative Begin. The July 1981 bombing of Beirut, a city for which the French feel a special attachment, angered Mitterrand and further hampered the early move towards Israel.

In spite of these initial impediments, French-Israeli relations did improve during the second half of 1981 as regular high-level diplomatic contacts between the two countries got underway. The French Foreign Minister, Claude Cheysson, was well received in Jerusalem in December 1981 as he worked to prepare the way for Mitterrand's own visit and ruled out further French participation in European Middle East peace initiatives. The French President's historic trip to Israel, delayed in response to the Israelis' annexation of the Golan Heights, was nevertheless a grand event when it did come off in March of this year. Although both Mitterrand and Begin spoke of differences between them, there was no doubt that the trip was a diplomatic triumph for both the French leader and the diplomatically isolated Israelis.

Since then, however, French-Israeli relations have deteriorated steadily. Israel's invasion of Lebanon this summer shocked and angered the French government. The French were outraged not only at the destruction Israel brought to the former French protectorate but also at Israel's forceful sweeping aside of any possible peaceful settlement of the Palestinian problem. The Israelis in turn were irritated by Mitterrand's attempts to intervene diplomatically in the conflict. Tensions mounted between the two countries as Israel pursued its military campaign and France stepped up its efforts to find diplomatic means to halt the fighting: while discussing the Lebanese situation, Mitterrand made a passing remark about the Nazi massacre at the French town of Oradour in the Second World War, which the Israelis construed as a comparison with their actions, the French voted for a Soviet draft resolution in the UN calling for an arms embargo on Israel, and a major anti-semitic terrorist attack occurred in Paris during the height of the conflict. In mid-August, Begin topped off the French-Israeli quarrel by calling France a land of anti-semitism and accusing it of acting like an enemy towards Israel. By the end of late August, it was clear that mistrust and hostility had replaced the mutual assurances of goodwill and the historic handshakes that had marked French-Israeli relations less than six months before. None the less, it is worth remembering that the Israelis did agree to French participation in the international peace-keeping force in Lebanon and that they did so in the very days when Begin was denouncing France in his by now familiar vitriolic fashion.

[4] *Le Monde*, 19 June 1981. For background, see Istvan Pogany, 'The destruction of Osirak: a legal perspective', *The World Today*, November 1981.

**The Arab-Israeli conflict**

At the base of Mitterrand's diplomatic campaigns directed at the Arabs and the Israelis lies his policy towards the Arab-Israeli conflict itself. In general, the French President has aimed to be both more pro-Israeli and pro-Palestinian than his predecessor: while supporting the Camp David accords and visiting Israel, he also speaks explicitly of the need for a Palestinian state, something Giscard d'Estaing never did. Mitterrand emphasizes that he will not play a 'double game' in the Arab-Israeli dispute, that he will not play one friendship off against the other. Nevertheless, his double-edged 'evolution' over his predecessor's policies serves as a convenient base for a flexible diplomacy: to the Israelis he emphasizes his support for the Camp David accords; to the Arabs he stresses his support for a comprehensive settlement based on the creation of a Palestinian state. Although his government does not renounce one position for another, neither does it present an entirely consistent face. For example, when Claude Cheysson went to Israel last December, it was reported that he avoided talking about the Palestinians and the PLO at all costs in order not to displease his hosts.[5] By contrast, when Cheysson went to Cairo less than a month later, he spoke at great length to the Egyptians about France's belief in the necessity of a Palestinian state. Similarly, Mitterrand's vigorous backing of the Fahd Plan in September–October 1981 was closely followed by Cheysson's announcement (in Israel) that the EEC's Venice Declaration had been an 'error' and an 'absurdity' if it aimed to replace Camp David.[6] The fact that the Fahd Plan was based on the annulment of the Camp David accords was generally not mentioned by the French government in its attempt to walk on both sides of the fence. On the whole, considerable ambiguity has surrounded the French Socialists' positioning on the question of West European involvement in the Arab-Israeli conflict. After months of support for the Venice Declaration, Cheysson surprised the diplomatic world by announcing in Israel last December that there would be no further French or West European peace initiatives in the Arab-Israeli conflict. But then, in the wake of Arab and West European anger, the French Foreign Minister turned around and said that he had been misunderstood. The confusion, he said, lay in the question of what constituted an initiative. The Venice Declaration was not an initiative, he argued, it was just a statement of position, one that suited France 'perfectly'.[7] France did not oppose any European initiatives in the Middle East, but this was not to include such statements of position. And while Cheysson had announced before that it would be 'indecent' of the European countries to tell Israel how to act towards its neighbours, he later added that this would not prevent the French or other Europeans from 'affirming their ideas and principles.'[8]

Despite these pronouncements by Cheysson, the French government did far more than simply affirm ideas and principles in the Lebanese crisis. The French were extremely active in all areas of the mediation surrounding the conflict: introducing UN resolutions with the Egyptians, attempting to assist the United States in negotiations with the Palestinians, volunteering troops for the inter-

[5] *Tribune Juive*, 11–17 December 1981. [6] *Le Monde*, 11 December 1981.
[7] *ibid.* [8] *Le Monde*, 10 December 1981.

national peace-keeping force, accepting Arab League delegations in Paris and pressing the European Council for engagement. France remained conspicuously loyal to its traditional cultural and political ties with Lebanon and stressed what might be considered 'the Lebanese side' of the conflict. Unlike the United States and the Arab countries, which tended to focus on the Israeli-Palestinian component of the crisis, France emphasized the effects of the war on Lebanon itself. The Franco-Egyptian peace initiatives centred on the idea of a total disengagement of all foreign military forces and the emergence of a Lebanese government and military force capable of maintaining order (with international assistance if necessary). Additionally, in the measure that Mitterrand voiced opposition to Israel's actions, he sharpened his pro-Palestinian position. The entire Lebanese crisis, in his view, was in itself a demonstration of the need for a Palestinian state. Rumours of the PLO's leader, Yasser Arafat, going to Paris were frequent. In late June, Mitterrand tried—unsuccessfully—to get the European Council to name the PLO as a 'necessary interlocutor' in the conflict. And in mid-July, Mitterrand met an Arab League delegation in Paris that included one of the PLO's political directors.

The Lebanese crisis revealed the limits of Mitterrand's double-edged diplomatic approach to the Middle East. It was not possible for the French President to maintain France's position both as leading West European advocate of the Palestinian cause and leading West European friend of Israel. Under pressure, Mitterrand backed away from the latter position in favour of the former, a familiar French tendency. Moreover, the crisis demonstrated that, no matter how attractive the role of special Arab-Israeli interlocutor may be for Mitterrand, it is largely untenable. The French President's diplomatic efforts for peace accomplished little except securing French participation in the international peace-keeping force. It has become more than clear that, regardless of the capital Mitterrand has or had in both camps, France simply does not possess significant leverage to obtain diplomatic concessions from either the Arabs or the Israelis.

None the less, Mitterrand's active Middle East diplomacy does serve other, perhaps more primary, goals. Since 1967, France has exerted a 'Third Force' policy in the Middle East—casting the image of France as an engaged but 'neutral' figure on the scene, an alternative to the super-powers. This Gaullist policy has traditionally pleased the Arabs (bringing economic benefits) while incurring few real costs. It is also seen, in French eyes at least, to contribute to France's national prestige. Mitterrand's aggressive, two-sided Middle East diplomacy may have little impact on the Arab-Israeli conflict itself, but it serves the Gaullist tradition by reinforcing the French presence in the region, distinguishing France from its less diplomatically active West European partners, and asserting French independence from the American diplomatic line. In short, the familiar Gaullist emphasis on image rather than on substance remains of high priority in France's Middle East policy under François Mitterrand.

# Arms control prospects at Madrid

DAVID S. YOST

A MANDATE for a Conference on Disarmament in Europe (CDE) could still emerge from the Conference on Security and Co-operation in Europe (CSCE) after it reconvenes in Madrid in November 1982. Progress toward such a mandate has been slow but substantial since the Madrid sessions began in November 1980. To understand the significance of this prospective mandate, its origins and evolution must be reviewed.

It was in May 1978 that the French President, Valéry Giscard d'Estaing, first proposed a CDE at the United Nations Special Session on Disarmament. In memoranda which the French government subsequently sent to the 35 countries of the CSCE and to Albania, France proposed a two-stage CDE. In the first stage, new confidence-building measures (CBMs) for conventional air and ground forces—e.g., prior notification of certain military activities—would be negotiated.[1] Unlike the few CBMs established by the Helsinki Final Act in 1975, which are almost entirely voluntary and which extend only 250 kilometers into Soviet European territory (and into Turkish Anatolian territory, in addition to all Turkish European territory), the new CBMs proposed by France would be mandatory, verifiable, militarily significant and applicable from the Atlantic to the Urals. In the CDE's second stage, negotiated limitations and reductions would be pursued in conventional air and ground forces—especially those equipped with major offensive capability, such as tanks, artillery and fighter aircraft.

The French government stressed several considerations in proposing a CDE.[2] The world's greatest concentration of conventional forces is in Europe. The East–West imbalance in conventional forces, favouring the Warsaw Pact, could lead to conflict that might escalate to nuclear war. The bloc-to-bloc Mutual and Balanced Force Reductions (MBFR) negotiations in Vienna exclude Europe's neutral and non-aligned (NNA) states and, by covering only a narrow zone in central Europe, fail to recognize the mobility of modern military equipment.

[1] For background on CBMs, see Johan Holst and Karen Melander, 'European Security and Confidence-Building Measures', *Survival*, July/August 1977; Jonathan Alford (ed.), *Confidence-Building Measures*, Adelphi Paper 149 (London: International Institute for Strategic Studies, 1979); and Abbott A. Brayton, 'Confidence-Building Measures in European security', *The World Today*, October 1980.

[2] The most useful discussions of the French CDE proposal are Benoît d'Aboville, 'Le projet de Conférence européenne sur le désarmement et l'échéance de Madrid', in Pierre Lellouche (ed.), *La sécurité de l'Europe dans les années 80* (Paris: Institut Français des Relations Internationales, 1980); and Jean Dehaime, 'Le projet français de désarmement en Europe et la réunion de Madrid', *Défense Nationale*, November 1980.

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ɛxperience with the Helsinki CBMs has established the workability of such neasures, as well as the insufficiency of existing CBMs, owing to voluntary notification principles etc. Nuclear weapons should be excluded in accordance vith three long-standing French principles: (a) 'Eurostrategic' nuclear balance onceptions falsify reality by omitting longer-range systems applicable to Euroean targets (e.g., ICBMs and SLBMs) and could tend to weaken the credibility of he US nuclear guarantee to Western Europe; (b) nuclear disarmament is mainly a uper-power responsibility; and (c) given the magnitude of the super-power nuclear arsenals, France's nuclear weapons constitute non-negotiable central ystems. The CSCE countries can none the less promote détente and enhance ecurity by pursuing CBMs and conventional force disarmament, the French uggested.

In addition to these publicly articulated reasons, several other factors appear o have contributed to the French decision to propose a CDE. France had ecome rather isolated from most East–West arms control forums and subject to riticism, owing to French non-participation in MBFR and the disarmament ommittee at Geneva as well as having not signed treaties like the 1963 Partial 'est Ban and the 1968 Non-Proliferation Treaty. The CDE proposal was part of set of proposals calculated to re-insert France in multilateral security dialogues n a constructive fashion. A carefully designed CDE proposal could serve as an ffective response to various Soviet-inspired proposals for 'military détente', ecause it would publicly demonstrate the West's interest in détente and arms ontrol while providing a sound basis for negotiations with Warsaw Pact overnments. Although the French stated that CDE need not interfere with MBFR—that CDE and MBFR could coexist in a complementary fashion—the French have, in fact, been concerned that MBFR would somehow lead to a Soviet *droit de regard* over the Bundeswehr, in addition to perpetuating a bloc-tobloc approach to European relations that the French deplore. A CDE could dilute the specific status of the Federal Republic of Germany in MBFR, and ome observers even think that the CDE's second phase might some day replace MBFR.

### Proposals refined

From the beginning, the French foresaw the possibility that East–West discord t the CSCE over human rights and related issues could prevent progress on a CDE, a foreboding that was confirmed by the experience of the Belgrade CSCE neeting.[3] Therefore, the French envisaged CDE as an autonomous negotiating forum, with no link to CSCE other than the coincidentally identical list of participants. However, by the summer of 1979, the French had agreed, as a result of deliberations within the Atlantic Alliance as well as consultations with the NNA, hat their CDE proposal should be linked to the CSCE process, and that CDE negotiations should occur within the broader framework of human contacts, economic exchanges and security principles encompassed by the CSCE. The CDE proposal introduced by France in Madrid in December 1980 thus differs

[3] See Richard Davy, 'No progress at Belgrade', *The World Today*, April 1978.

from that outlined in May 1978 in that CDE has become firmly tied to the CSCE process.

With the CDE–CSCE linkage confirmed, the broad outlines of the French proposal concerning confidence-building measures were increasingly supported by Western governments. The Foreign Ministers of the European Community and the Council of Europe endorsed them in November 1979, followed by those of the Atlantic Alliance in December 1979. The Ankara Nato communiqué of June 1980 was even more emphatic in supporting the French criteria for CBMs.

West European governments supported the CDE proposal for many of the reasons why the French had devised it. As various Warsaw Pact governments multiplied their calls for an all-European 'conference on military détente and disarmament', the utility of the French criteria for a substantive conference became obvious. If a CDE were convened, the French criteria would furnish the guidelines for constructive CBMs supplementing the insufficient ones established at Helsinki. CDE might also help to keep East–West dialogue alive during troubled times for Soviet-American nuclear arms control, and potentially reduce the threat of the outbreak of war in Europe. Finally, a secondary but genuine factor was the desire to encourage French participation in international arms control discussions.

The Federal Republic of Germany supported the French CDE proposal more firmly perhaps than any other country. Some West German officials, it appears, have misgivings about the limited geographical area covered in MBFR. If agreements were to result from the protracted Vienna negotiations, the Federal Republic could well find itself in a zone of special security status and therefore subject to military constraints that could be harmful to alliance solidarity and effectiveness. The CDE second stage may ultimately offer a solution to this potential problem. Moreover, a number of West Germans seem especially positive about continuation of the CSCE process (including CDE) as a sort of institutionalization of détente.

Despite the Nato communiqués, the US under President Carter did not decisively support the CDE proposal as a whole. The Madrid sessions officially began on 11 November 1980, a week after Ronald Reagan's election, but the US did not explicitly support the French CDE proposal until 16 February 1981, a month after Reagan's inauguration as President. Meanwhile, the chairman of the US delegation in Madrid, Max Kampelman, and other US spokesmen had expressed strong support for the French criteria for new CBMs without, however, endorsing the actual CDE proposal.

US hesitation reflected more than an outgoing administration's concern for its successor's freedom of action. The main US objection to the CDE proposal arose from suspicion about the workability of the second stage, disarmament, in view of the serious conventional force imbalances in Europe. MBFR was, moreover, seen as the principal forum for addressing conventional force limitations. Mainly in response to such US concerns (apparently shared by the British), the common allied position by late 1980 had evolved to considering the second stage

a possibility for examination only after the success of the first phase's CBMs had been reviewed by a CSCE meeting, a position that was to become official in July 1981.

Another major US concern was that a CDE might divert attention from human rights issues at later CSCE meetings. For this reason, the US has been especially insistent regarding the CDE–CSCE linkage and the necessity for 'balance'—i.e., new human rights commitments and review opportunities—in conjunction with any concluding document at Madrid mandating a CDE. Finally, the US seemed somewhat concerned that CDE might become another MBFR, a protracted negotiation with dim prospects of success, partly because alliance cohesion would be even harder to maintain in a 35-member forum than in the bloc-to-bloc MBFR negotiations. The US none the less was obliged to support the CDE proposal, if only to avoid the convening of a European disarmament conference without constructive preconditions.

### Progress in Madrid

Five proposals for a CDE were advanced in Madrid in December 1980. The Romanian, Yugoslav and Swedish proposals had some elements in common with the French proposal—e.g., interest in substantive confidence-building measures to improve on the Helsinki CBMs and firmer CSCE–CDE linkage. Because of such similarities and because the Western countries supported the French proposal, the latter ultimately supplanted the other three in winning support from NNA states. Although the Swedes and Yugoslavs repeatedly championed their own proposals, in the end the dynamic of East–West conflict caused the negotiations to focus on the French proposal and the Polish proposal, which was strongly supported by the Soviet Union.

Unlike the other proposals, the Polish proposal for a Conference on Military Détente and Disarmament (CMDD) avoided CSCE–CDE linkage in the form of referring future CMDD agreements to scrutiny by CSCE follow-up meetings. The separation of CSCE and CMDD in the Polish proposal was not accidental, since the Russians were clearly tired of public reviews of their failure to implement the Helsinki provisions on human rights. Instead of the balanced CSCE forum, with its due attention to human rights aspects of security, the Soviet Union preferred that an entirely distinct CMDD take place.

The Polish proposal and numerous Soviet statements suggested a vague CMDD agenda of declaratory measures that would merely reiterate commitments already made at Helsinki and in the United Nations Charter (e.g., the non-use of force or the threat of force), or that would infringe Helsinki-recognized rights to collective self-defence (e.g., a proposal for non-expansion of alliances), or that would be unverifiable because imprecise and lacking verification provisions (e.g., a freeze on military forces at present levels). Soviet interest in such empty measures implied that a CMDD might serve as a forum for familiar Soviet propaganda themes. This impression was confirmed by Soviet reluctance to consider more than minor adjustments in the inadequate Helsinki CBMs. The Soviet Union questioned the need for 'preconditions' requiring CBMs to be

(according to the French criteria) mandatory, verifiable, militarily significant and applicable from the Atlantic to the Urals.

All Western and some NNA delegations in Madrid raised the issue of the Soviet Union's privileged geographical status regarding the Helsinki CBMs—limiting them to only the first 250 kilometers within European Russia. Is not Moscow a European capital? All other European states, including Turkey, accept CBMs on all their European territory, and all US and Canadian ground forces in Europe are included. Principle I of the Helsinki Final Act indicates that all participants have equal rights and equal duties. Why should the largest military power in Europe receive a unique exemption excluding most of its European territory?

### Soviet conditions

The Soviet President, Leonid Brezhnev, surprised many observers by announcing in February 1981 that his government would recognize the principle that confidence-building measures should apply to all of the European portion of the Soviet Union. Two conditions were attached to Brezhnev's announcement. First, the Russians insisted that Soviet recognition of this principle constituted an 'initiative' and 'concession' that would require a corresponding gesture on the part of the West. Second, the Soviet Union continued to maintain that the other French criteria for CBMs were still unacceptable 'preconditions'.

The second Soviet argument was not maintained as steadfastly as the first during the negotiations from February to July 1981, partly because it was vulnerable to ridicule from Western and NNA delegations. Soviet statements implied that Moscow was willing to accept confidence-building measures on all its European territory on condition that the CBMs have no military significance and be voluntary and unverifiable. Well before July 1981, the Russians agreed to a formulation providing for politically binding and adequately verifiable CBMs of military significance, though the Soviet Union still wanted to add a clause allowing declaratory measures of the type it had preferred at the outset. Moreover, the Russians agreed to linkage between CSCE and future CDE agreements, with the results of the CDE's first stage subject to review at a later CSCE meeting prior to any further stages.

The Soviet Union none the less continued to press for a compensatory move by the West in response to Soviet recognition of the fact that Soviet territory in Europe should be encompassed by CBMs. At the same time, the Russians would not define what Western response they had in mind, in order to keep their own territorial obligations conditional and subject to negotiation at the CDE, as Brezhnev himself suggested in his May 1981 Tbilisi speech. In an attempt to overcome this impasse, in July 1981 the West proposed that CBMs be 'applicable to the whole continent of Europe and, as far as adjoining sea area and air space is concerned, to the activities of forces operating there in so far as these activities are an integral part of notifiable activities on the continent'. The Russians responded that CBMs, depending on their content, should apply to US and Canadian territory and to sea and air space areas 'of corresponding width' to the

whole of Europe, which implied that naval and air activities not related to Europe would be reportable, in that much of the North Atlantic would be encompassed. The West found the Soviet response an unacceptable deviation from the subject of air and ground CBMs in Europe.[4]

When the Madrid sessions resumed after a July–October 1981 recess, the West agreed to drop the word 'continent' from its area formulation, making it 'the whole of Europe.' The word 'continent' had not figured in the Helsinki Final Act, and might be misconstrued as excluding the islands of Europe.

Major progress toward a CDE mandate in the October–December 1981 session came on 16 December 1981, when Austria and seven other NNA governments proposed a draft concluding document for the Madrid CSCE sessions. In the section mandating a Conference on Confidence- and Security-Building Measures and Disarmament in Europe[5] (the probable official name of a CDE), the NNA draft offered a compromise: CBMS in 'adjoining sea area and air space' would be applicable in so far as relevant military activities 'constitute a part of activities in Europe which the participating states will agree to notify'. The Soviet Union promptly argued against this language because it reflected the West's 'functional' approach to military activities in adjoining sea area and air space instead of the Soviet 'geographical' approach, which would deem activities notifiable whether related to Europe or not. Some Western governments feel the NNA draft lacks the precision of the Western proposal of July 1981, and that its ambiguity could lead to Soviet proposals for CBMs that would restrict the military operations of Western governments outside Europe—including possible commitments of the US Rapid Deployment Joint Task Force in the Middle East–Persian Gulf region.

The February–March 1982 Madrid session saw no further negotiations on a CDE mandate, nor on any other part of a concluding document for the Madrid conference. The Soviet-encouraged imposition of martial law in Poland in December 1981, which violated various provisions of the Helsinki Final Act, made it impossible for Western governments to proceed on a 'business as usual' basis. Several Warsaw Pact governments accused the United States and other Western countries of using Poland as a pretext to block progress at Madrid. At the suggestion of Switzerland, on behalf of other NNAs, it was agreed on 12 March that the Madrid conference would recess until 9 November 1982.

### Prospects for a mandate

The purpose of the March–November 1982 recess has been to preserve the CSCE process and—more specifically—the December 1981 NNA draft for a concluding document. Virtually all delegations in March 1982 regarded this draft as the basis for a balanced and substantive final text. Even the Russians referred to it as 'a reasonable basis for the successful completion of tasks'. Successful adoption of a CDE mandate in a Madrid final document will none the

[4] An excellent review of events to this point is H. Gordon Skilling, 'CSCE in Madrid', *Problems of Communism*, July/August 1981.

[5] The term CSBMs (confidence- and security-building measures) was adopted in March 1981, at the suggestion of Yugoslavia, in order to signify the aspiration to establish, via a disarmament conference, CBMs more substantial than those in the Helsinki Final Act.

less depend on three key factors: the Polish situation, progress on human rights provisions in the final document and agreement on the precise language of the mandate.

Assessments of the situation in Poland will influence the attitudes of Western and NNA governments towards further sessions in Madrid. In February 1982, the then US Secretary of State, Alexander Haig, and other Western spokesmen questioned the desirability of accepting new CSCE promises from governments not abiding by the Helsinki principles. Haig declared that Poland (and the Soviet Union) would have to take three specific steps to resolve their 'challenges to the integrity of the Final Act and the CSCE process' before the United States could return to negotiations on the 'constructive proposal' tabled by the NNA states: release from prison of the Solidarity union leaders, lifting of martial law and 'a resumption of a process of reform and liberalization'.

Such improvements in the Polish situation could, indeed, facilitate the completion of a Madrid concluding document, including a CDE mandate. Even if the Polish situation has not improved greatly by early November, the US and other Western governments may interpret its significance differently. Western unity behind the 'no business as usual' principle may erode. Some governments might prefer to resume negotiations on a substantive concluding document rather than risk endangering the survival or continuity of the CSCE process by, for example, declaring a two-year recess until December 1984, or concluding the Madrid sessions with a Belgrade-type document setting a date and place for another review meeting, with no CDE mandate or other achievements to show for the two years of Madrid sessions. An argument favouring continued negotiations might be the fact that START, INF and MBFR negotiations have been carried forward, despite the Polish situation. These negotiations are not, however, explicitly part of the CSCE process which has been put into question by Poland.

*Human rights provisions in the Madrid final document* will also require strengthening before the text, with or without a CDE mandate, will be complete. In order to make Soviet violations of the Helsinki Final Act more difficult, the US and some other Western governments favour more specific language regarding freedom of religion, the constructive role of Helsinki monitors, freedom of broadcast information and so forth. The same governments would also like some clear indications that the Soviet Union is improving its poor record of compliance with the Helsinki human rights provisions.

The language of the CDE mandate may prove the least serious obstacle to agreement. The NNA draft concluding document substantially reflects the Western position, though the West would prefer more precise phrasing on the geographical area of application similar to that proposed in July 1981. Some experts suggest that part of the current language might be acceptable to the West, since its ambiguities could be manageable during the negotiations of specific CBMs. The Soviet Union may persist in rejecting the NNA draft's language on the geographical area, and may raise anew its preference for declaratory security measures or 'escape clauses'. On the other hand, in order to bring about the convocation of a CDE, the Russians may accept the language of the NNA draft.

Even if the Madrid sessions beginning in November 1982 end with a result falling short of a full concluding document with a CDE mandate (another long recess, a Belgrade-type document, the chartering of experts, meetings etc.), the CDE proposal will probably persist as an option for strengthening the CSCE process. Western and NNA governments that have supported it at Madrid are likely to support it at later CSCE meetings.

Positive judgements about the value of an actual CDE mandate generally assume that East–West arms control dialogues are intrinsically worthwhile and that CBMs do build confidence and enhance security. Military transparency is intended to reduce distrust. With less risk of miscalculation and misinterpretation, war by accident may be less likely. CBMs may also complicate using the threat of force, as well as preparations for surprise attack. Because the Warsaw Pact would have to reveal much more than the West, some observers even speculate—quite optimistically—that MBFR's long-standing data problem concerning the levels of Warsaw Pact forces might be resolved in the CDE's first stage, and that MBFR itself might be transcended in the second stage.

Despite the positive potential of a CDE mandate, negative outcomes are also possible. The Soviet Union could attempt to re-orient a CDE away from effective confidence-building measures in order to pursue the declaratory measures it has preferred. Precisely because the Warsaw Pact has much more to reveal than the West, the Russians are unlikely to approve effective CBMs. Nor would a CDE's second stage necessarily help the West, since the feasibility of equitable reductions for effective security in a 35-nation forum remains unproven.

Even if improved confidence-building measures could be achieved at a CDE, their limitations should be recognized. CBMs cannot overcome fundamental conflicts of interest, nor do they necessarily build confidence—especially when situations of tension and fear of circumvention arise. CBMs can even have harmful effects by conveying false assurances of arms control progress, especially to the public, thus improving conditions for strategic surprise and weakening public support for necessary defence spending. CBMs could be more effective in reducing the risk of surprise attack in Europe if Soviet conventional force superiority in Europe were significantly reduced or if Nato significantly improved its ability to make use of warning time through greater readiness, mobilization, mobility and reinforcement capability.

In short, new CBMs resulting from a CDE could not substitute for defence policy; they could only supplement defence measures marginally. A mandate for a CDE would constitute the first step in a long diplomatic process that would require careful management to minimize its pitfalls and optimize its limited positive potential. The ultimate value of a CDE could well depend on the success of nuclear arms control, which was properly excluded from the CSCE process by the French authors of the original CDE proposal. Only conventional forces can be sensibly examined in a 35-nation forum, a forum that may finally—optimists hope—oblige the Soviets to face their responsibilities regarding the imbalance of conventional forces in Europe.

# Mexico's uneasy progress

DAVID J. NEWTON

In this journal two years ago, the present author mooted increasing socio-economic difficulties arising from the Mexican 'oil miracle'.[1] It was never envisaged that these would develop so significantly, so quickly. With the six-year presidency of Sr Miguel de la Madrid Hurtado due to begin on 1 December, it would seem an appropriate time to review Mexico's uneasy progress into the 1980s and the internal problems facing the President-elect.

## The July elections

Sr de la Madrid is the latest of a long line of Institutional Revolutionary Party (PRI) candidates who have swept to victory in every presidential election since the party was founded in 1929. A former Planning and Budget Minister, Sr de la Madrid is expected to follow a more conservative financial policy than the current administration of President Portillo, phasing out government subsidies and opening up a highly protected domestic market. The recent nationalization of all major Mexican Banks should be viewed as a regulatory measure in response to severe financial difficulties rather than as an ideological U-turn.

Mexico's left-wing United Socialist Party (PSUM), which took part in presidential elections for the first time on 4 July, failed to prove its assertion that the Left, and not the Right, is the true voice of the Mexican people. De la Madrid won nearly 75 per cent of the vote in a predictable victory, although faced by record opposition. None of the six opposition candidates expected to win, but the PSUM hoped to run a good second. However, Sr Pablo Emilio Madero of the right-wing National Action Party (PAN) took second place with about 14 per cent of the vote. The PSUM's candidate, Sr Arnoldo Martínez Verdugo, the former Communist Party leader, took third place with only 6 per cent of the poll. Adding the votes of all the left-wing parties together still gives the Left significantly less support than PAN.

Although the opposition made allegations of fraud, they do not claim that the results were substantially affected. The Left had hoped that a significant vote would prevent de la Madrid from adopting the right-wing policies he is reported to favour. After this result, however, the pressure will be from the Right rather than the Left.

For the PRI, the most positive factor was the record turnout. There had been fears that massive abstentions could undermine the validity of the government and the political system. The high turnout probably reflects the electorate's interest (even curiosity) in the democratization of Mexican politics under

[1] David J. Newton, 'Mexico—The West's latest oil well', *The World Today*, July 1980.

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President López Portillo, but, more significantly, growing concern over the severe internal problems facing the new government.

### Economic problems

The immediate issue facing Mexico is how to handle the economic crisis precipated by a $6 billion fall in forecast 1982 oil revenues (there is a worldwide oil glut) and free domestic spending, culminating in February with a devaluation of the peso of more than 40 per cent.[2]

Like other developing countries with large oil deposits, Mexico embarked upon a programme of rapid economic expansion. In so doing, it has fallen into the trap of free and inefficient spending on the basis of an economy that was structurally immature for development at such a pace. Mexico has a stronger industrial base than oil producers such as Nigeria or Venezuela, but its aspirations are proportionately greater and its economic problems now all the more conspicuous. The majority view among current economic ministers is that a period of austerity is essential, with zero growth. This compares with 7–8 per cent growth in the boom years, and will probably cause greater unemployment and increased social unrest.

Mexico has become the most heavily indebted nation in the developing world (total foreign debts are estimated at $64 bn). In spite of oil revenues of $15 bn last year the current account balance-of-payments deficit was $10·8 bn.[3] This is only part of the price that must be paid for any dash for growth. The other is the reconciling of economic reality at the end of the day with expectations of higher living standards. Nevertheless, the President-elect is believed to be eager to restrict public expenditure, even though a significant minority of the proposed economic Cabinet favour at least 3–4 per cent growth targets.

International bankers are no longer as optimistic about prospects for the Mexican economy. Their chief worry (and that of many local observers) is that the administration will lose control. Six months after devaluation, stabilization policies, including a $5·8 bn cut in public spending, are doing little to raise confidence. Some measures, like the granting of tax-free wage increases of up to 64 per cent since January, appear motivated more by political considerations than economic logic.[4] Inflation is now forecast to reach 60 per cent by the end of the year and the beneficial effects of devaluation on Mexico's sagging non-oil exports are being quickly eroded.[5]

A large part of the inflation problem lies with the government's relaxed attitude to public spending, encouraged by oil wealth. Last year's public sector deficit was 735 bn pesos ($27 bn) or a striking 12·5 per cent of Gross Domestic Product—double the target. The external borrowing requirement has been expanded with oil as collateral. Budget restrictions are now claimed to be more tightly enforced, but the 8 per cent cut in public spending thus far in 1982 does not in practice amount to a very severe tightening of the belt. It is quite possible that this year

[2] See 'Anxiety of Mexican spending', *Financial Times*, 23 March 1982.
[3] *Banco Nacional de Mexico* estimates, December 1981.
[4] 'Mexico cuts budget by 5 per cent', *Financial Times*, 22 April 1982.
[5] *Banco Nacional de Mexico* estimates, April 1982.

the estimated $13 bn of oil revenue will be almost entirely swallowed up by meeting the interest and capital payments on the public sector debt.[6]

History is repeating itself. Sr López Portillo is leaving very similar problems to those which he inherited in 1976, but now the situation is worse, despite Mexico's enormous oil wealth. Unlike 1976, when there was no oil glut, Mexico cannot pump its way out of difficulty by increasing oil exports. Secondly, the key economic indicators—inflation, the foreign debt and the current account deficit—are proportionately worse. Interest rates are increasing in an attempt to encourage the repatriation of an estimated $5 bn which 'fled' the country prior to devaluation. Company and bank profits will be severely squeezed this year and many smaller companies will collapse under the twin pressures of high interest rates and increased labour costs.

The major part of the foreign debt is owed to 14 creditor nations belonging to the Bank of International Settlements (over $25 bn to US-based banks alone). However, during August Mexico's beleaguered economy received support from three sources. The International Monetary Fund agreed that drawings of $4·5 bn would be made available from October 1982. Meanwhile, the world's major central banks are to provide a bridging loan of $1·85 bn until the IMF funds fall due. Pemex has also received a $1 bn advance on a contract to supply the US with 40 million barrels of oil during the next 12 months. International bankers hope that a return to a trend of rising oil prices will ease the squeeze on Mexico's economy, but they will be looking for tighter internal financial controls as well.

The government faces a dilemma. Senior officials believe it would be politically and economically explosive to put the country into reverse gear even though circumstances dictate a period of austerity. Ministers fear widespread popular resistance to any concerted measures taken to curb growth, ease inflation and reduce the strain on the balance of payments. For this reason, de la Madrid, many of whose electors still live in conditions of extreme poverty, will avoid doing anything likely to incur the backlash of their frustrated economic aspirations, no matter what restrictive noises are being made at present.

Just now Mexico is extremely vulnerable to external economic factors. A further drop in world oil prices would impose still harsher strains on the balance of payments, whilst any increase in US interest rates would push up the cost of borrowings and place more pressure upon the peso. There might be a temptation to panic in such circumstances, and already an element of irrationality has been seen in talk of petrol rationing.

In a world anxious for economic growth, a Mexico managed with greater economic restraint still deserves the support of the international banks, but the $72 bn of gross external financing which Mexico needs in 1982 will be more readily available if the government maintains a firm and consistent approach.[7] Above all, this means containing the budget deficit to its targeted levels and continued expansion of Mexico's role in the world oil market.

[6] Statement by the Finance Minister, Sr Jesus Silva Herzog, 21 April 1982.
[7] 'Bankers shun Mexico's bid for $2·5 billion Loan', *Financial Guardian*, 19 June 1982.

Pemex, the state-owned oil company, operates in difficult market conditions. Once the darling of the Mexican public, it now faces a much cooler and more critical domestic audience. It can, however, at least point to two very positive developments. First, the country's proven hydrocarbon reserves have increased steadily to 72 bn barrels.[8] Mexico has also been able to maintain rising oil sales, at a time of worldwide oil glut, because it is a politically stable, non-OPEC producer. This makes it attractive to buyers wishing to diversify away from volatile OPEC supply sources, provided it keeps its prices in line with the market, something Mexico failed to do last summer. Having learnt its lesson, Pemex is taking care not to let its export prices get out of line again. President Echeverría (1970–6) pledged that the country would never undercut OPEC prices, but amidst growing confusion at OPEC the Mexicans find such a pledge increasingly difficult to maintain. Mexico is determined not to lose out in any price war. It is keen to extend its markets and consolidate customer loyalty. Future economic and political stability will be vital here. Pemex has initiated an exploration and sales campaign. By the end of the year, the company should reach a daily production target of 3 million barrels a day and substantially increase the proportion of saleable light Isthmus crudes to replace the less sought after heavy Maya crudes.

## Unemployment and poverty

The stability of one-party government has not prevented the development of a socially unbalanced society. Between 1963 and 1977, the share of national income going to the poorest 20 per cent of the population actually fell from 4 per cent to 3·6 per cent. Improvements in income distribution since 1977 have been minimal.[9] Per capita income, however, does not entirely measure poverty. As in other developing countries, the poor in Mexico live in isolated rural communities; work long hours for little gain; have little access to safe drinking water, sanitation facilities or adequate shelter; are malnourished, uneducated and in poor health.

Underemployment is an increasingly chronic problem. Of the 70 million population, half of which is under the age of 15, some 40 per cent of the 19-million workforce still does not have a permanent full-time job. Part of the problem is due to rapid population growth. Family planning programmes have had some impact upon fertility rates, but the population is still growing at about 3 per cent (2 million) per annum.[10]

Some 800,000 new jobs have to be created every year just to soak up new entrants to the labour market. Mexico has created an astonishing 2·8 million new jobs in the past four years, but critics of the government contend that unemployment will be higher in the long term if the present 'soft' approach to

[8] A 360 per cent rise in three years. Experts confidently expect total oil reserves to be as high as 400–800 bn barrels.

[9] Enrique Hernandez Laos y Jorge Cordova Chaven, 'Estructura de la distribución del ingreso en Mexico', *Comercio Exterior* (Mexico), Vol. 29, No. 5, May 1979.

[10] Chandra Hardy, 'Mexico's development strategy for the 1980s', *World Development* (Oxford), Vol. 10, No. 6, June 1982.

price control is continued. President Portillo, however, has already publicly implied that inflation is the price Mexico may have to pay to keep the country's social pressures under control. Millions of peasants and dwellers in the urban slums live on the absolute poverty line, and it can be expected that the recent political awareness will eventually enhance the country's latent social tensions.

Half the population of Mexico lives in rural areas and about 40 per cent of the labour force is engaged in agricultural occupations which provide less than the minimum subsistence wage.[11] The bulk of production comes from a small number of larger holdings. Government incentives have favoured investments in industry over agriculture and capital-intensive methods of production in both industry and agriculture. Higher wages in the metropolitan areas have stimulated rural migration, while a failure by the manufacturing sector to provide jobs for unskilled labour has exacerbated urban unemployment and increased both legal and illegal emigration to the United States.[12] However, the recession in the US and growing political and social tensions in the border states are likely to produce tighter controls on illegal immigrants. Therefore external migration cannot be relied on to ease the pressure of increasing unemployment indefinitely.

Agrarian reform has failed to achieve wholesale change of land tenure and has also failed to increase rural living standards. In addition, small farmers have little access to credit or modern farming inputs. A significant increase in domestic food production will require a change in agricultural support policies which presently give low priority to production of basic foodstuffs and subsistence farmers. Otherwise Mexico faces an increasing import bill for such commodities, increasing dependence upon the US and increasing unrest amongst the peasant masses.

### Weak industrial structure

Although the Mexican economy has a greater capacity to absorb oil wealth than many other developing countries, it has yet to develop a broadly based capital goods sector. Manufacturing is also geared overwhelmingly to the domestic market rather than to exports. The government, anxious to ensure a broad-based development instead of an ever-increasing reliance on the petroleum sector, is pushing ahead with an industrial plan for 1990 which includes: a major expansion of the country's steel industry to 24 million tonnes; increased manufacture of petrochemicals for both domestic and export markets from 9 m. to 23 m. tonnes; decentralization of industry to under-developed areas of the country including Altamira and Laguna del Ostion in the Gulf of Mexico and Lázaro Cárdenas and Salina Cruz on the Pacific coast; new incentives for the capital goods manufacturers to achieve annual growth of 18–20 per cent in real terms; encouragement of foreign investors despite severe current controls.[13]

[11] Joel Bergsman, 'Income distribution and poverty in Mexico', *World Bank Staff Working Paper*, No. 395, 1980.

[12] Legal migration to the US is 67,000 a year. Estimates of illegal migration are as high as 250,000 a year. *Financial Times Survey, Mexico*, 22 March 1982.

[13] For further details, see Redvers Opie, 'Analysis of the 1980 Budget', *Economic Report No. 1* (Mexico City: American Chamber of Commerce of Mexico, 1980).

In the immediate future, however, government spending cuts will mean a substantial drop in demand. While the devaluation of the peso should theoretically help exporters, it will deal a major financial blow to industrial companies which have borrowed heavily in foreign currency. Rising wages and prices will erode Mexico's labour and cost advantages and reduce export competitiveness. The industrial base is further weakened by two main structural imbalances. First, the distribution of income limits the size of the domestic market. In his 1964 inaugural address, President Diaz Ordaz stated, 'without a market there is no production, and without the purchasing power of the masses there is no market.' Second, excessive reliance on protection and government subsidies have fostered an inefficient and high-cost industrial structure.

**The future for democracy**

As market forces have their effect on the economy, the political structures look likely to dampen whatever impetus for unrest may arise. For 50 years the PRI has never allowed any rivals near the seats of power, a situation which has often led to lack of political initiative. Opposition parties and voters became so apathetic towards the political system that the government introduced reforms under President Portillo to encourage some genuine, though carefully controlled, opposition. The real danger to PRI dominance may come from other quarters.

Mexico is modernizing and expanding its armed forces in preparation for a possible spillover of the political turbulence in Central America. But it is not just the perceived external threats which are causing this build-up. The military expansion, albeit comparatively small, is also part of Mexico's ambitions to become a Third World power and to demonstrate greater independence from its near neighbour and traditional rival, the United States.

It will be a very costly exercise, however. This year's defence spending of 43·7 bn pesos ($971 m.) is still only 2 per cent of the national budget; this is low by international standards, but devaluation has made the purchase of military hardware much more expensive.[14]

While the main thrust is towards external defence, the army will maintain its internal security role. The country's 35 military zones conform in most cases to the boundaries of the 32 states. Troublesome states like Guerrero (with some history of guerrilla activity) have two military zones. However, as far as can be ascertained, the armed forces have played no overt part in decision-making since the last military president, General Avila Gamacho, left office in 1946. Nevertheless, there is a close relationship between the military and the PRI. The President, who is Commander-in-Chief of the armed forces, generally has some military men as state governors, such as the new Governor of Yucatan.

The party is deeply entrenched in the state, controls the system of patronage and exercises a strong influence over the media. The PRI uses the carrot and the stick to exercise political control. Rebellious students have been co-opted to successful political careers. Sometimes strong-arm tactics are employed. The Communist-run town of Juchitan came under attack from right-wing groups

[14] *Financial Times Survey, Mexico*, 22 March 1982.

after the PRI lost the municipal elections there last year. Two attempts have been made on the life of the mayor and a member of the town council was murdered. State authorities also tried to discredit the town by carrying out a politically inspired audit, something that never happened under the PRI-controlled council.

Despite the political reforms, human rights abuses are still committed. Amnesty International refer to irregular arrests; the use of torture; criminal charges when the real reason for arrest is political, trades union or peasant activities. An estimated 300–400 people have been taken into custody in recent years and subsequently disappeared. Many of the human rights abuses involve land tenure disputes. The pressure for land in some areas, like the Huasteca area in the state of Hidalgo, is particularly intense. Peasants who have occupied land have been killed by paramilitary units hired by local large landowners. Activists in left-wing trade unions are also considered targets. The murder of Sr Ismael Núñez Acosta in early 1981 is still a strong issue among teachers trying to form their union.[15]

The repressive side of the Mexican political system remains a far cry, however, from the abuses committed by many Latin American military governments. The Mexican system is remarkably flexible and subtle. The PRI does rule by consent, the biggest in-built safety valve being that the President cannot stand for re-election. This factor prevents the system from becoming a personalized dictatorship. Mexican presidents rule like absolute monarchs for six years and must then hand over the reins of government. They control the bureaucracy, the judiciary and the PRI, and through their power to veto all legislation passed by Congress they also have a major influence on the legislature. This strongly centralized system limits the area of political reform. However, there is some hope that Sr de la Madrid will pay some attention to reform of the political system and attack the widespread corruption of Mexican public life.

Sharp differences are reported within the PRI over several issues, and many observers fear that economic instability may greatly strain the social and political fabric. Some even go so far as to suggest that military government is not an unlikely event. This is unduly apocalyptic for a country that is looked upon with envy by military regimes elsewhere in Latin America for its half-century of stable government. The PRI has shown a remarkable capacity for survival and adaptation to conditions. Whilst there has been little indication that the country's ruling group, which includes business and church interests as well as the PRI, has the motivation for widespread political, economic or social change, they are aware of the price of intransigence. The incoming administration has inherited the PRI mantle and is unlikely to let it slip in the face of economic and social problems which differ little from those faced by many developing nations and are a good deal less severe.

[15] *Amnesty International Report 1981* (London: Amnesty International Publications, 1981), pp. 165-70.

# New Zealand and Australia: Free Trade Agreement Mark II

HYAM GOLD and RAMESH THAKUR

DESPITE their many ties of kinship, a shared colonial history and a common isolation from the rest of the world, Australia and New Zealand have not been close trading partners for most of the century.[1] Both countries have concentrated instead on their specialized export trade with the northern hemisphere, and both have sought to protect domestic manufacturers from import competition. From 1 January 1983, however, a new trading regime is to come into force across the Tasman. New Zealand and Australia are to enter into a 'Closer Economic Relationship' (CER) that promises to pave the way for trans-Tasman free trade in the 1990s.

This will not be the first attempt in recent decades to introduce a broad free-trade zone across the Tasman. In 1965, the two countries somewhat prematurely announced the establishment of a Free Trade Area with the signing of the New Zealand Australia Free Trade Agreement (NAFTA). But NAFTA soon reached a plateau in furthering bilateral trade links. It became encumbered by excessive government involvement in the trading relationship; it proved unable to tackle non-tariff barriers to trade, e.g. export incentives; and it produced increasing resentment in Australia of New Zealand's import licensing restrictions.

The accumulating dissatisfactions with NAFTA gave rise to the negotiations culminating in CER, and they help to explain the differences between the two. CER is designed to be more comprehensive in coverage; its procedures are meant to be automatic, gradual and progressive; it tackles the question of direct controls on imports, e.g. licensing and tariff quotas—an area where NAFTA feared to tread; and it addresses itself to such indirect obstacles to trade liberalization as government purchasing and agricultural support and stabilization schemes.

## The background: NAFTA to CER

Though regarded as a major breakthrough in its time, NAFTA in fact did not establish a genuine free trade regime between its two signatories: the list of items to be traded free of duty across the Tasman encompassed only half of even the existing value of trade. Furthermore, the ability to expand bilateral trade was compromised from the start by qualifications and exemptions enshrined in the the Agreement, of which two have proved particularly significant. NAFTA did

[1] A brief stimulating survey of the historical relationship is Keith Sinclair, 'Australia and New Zealand: Themes of Attraction and Repulsion'; paper presented at the seventeenth Otago Foreign Policy School, Dunedin, May 1982.

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not forcefully bind its signatories to remove quantitative import restrictions even on nominally duty-free items. In addition, the parties agreed from the start not to expand duty-free coverage to goods that might harm domestic producers in either country.

Despite these limitations, NAFTA did oversee a major expansion of trans-Tasman trade. In 1964–5, Australia stood only third in New Zealand's external trade. Today, Australia is New Zealand's most important trading partner, being both its principal source of imports (19·4 per cent for 1980–1) and its largest export market (13·9 per cent).

The extent to which NAFTA deserves credit for this increased trade flow is, however, debatable.[2] Less in dispute is the fact that by the 1970s the painfully slow rate of progress in extending the range of duty-free goods coverage, and in removing quantitative and other barriers to trade, was producing frustration in official circles on both sides and in business circles in Australia. As recognition of NAFTA's limitations grew in the early and mid-1970s, a number of attempts were made to broaden its coverage and revitalize its operations, but without much success.[3]

Though in 1976 NAFTA was duly renewed for another ten years, reservations about the Agreement continued to mount on both sides. In particular, Australian manufacturers grew ever more resentful of what they saw as the inbuilt pro-New Zealand bias of the NAFTA regime. While New Zealand was beginning to loom large as a competitor in key areas of Australian manufacturing by the mid-1970s, Australian manufacturers felt shut out of the New Zealand market by import licensing restrictions and unfavourable special trade deals under NAFTA. Their protests received a more sympathetic hearing in Canberra with the replacement of the Labor Prime Minister, Gough Whitlam, by a business-minded Liberal–National Country coalition in November 1975. The Australian government's negotiating stance on trans-Tasman trade hardened significantly. This became clear in 1977, with official demands in April for increased access to the New Zealand market, and the decision in August to revoke earlier exemption of New Zealand goods from protective tariff quotas levied on certain imports into Australia.

This deepening Australian disenchantment with NAFTA created anxiety in Wellington. Economic policy-makers in New Zealand had decided to reorientate the economy towards an emphasis on export-led economic growth. The expanding Australian market, particularly for manufactured exports, was expected to play a critical role in this process. The Ministry of Foreign Affairs too, with a view to defence and security as well as trade considerations, had begun to give priority to the Australian connexion. In September 1977, the Foreign Minister, Brian Talboys, declared bluntly that 'the time has come for New Zealand to recognize that our relationship with Australia is more important to us than our links with any

[2] For example, see P. J. Lloyd, *Economic Relationships between Australia and New Zealand* (Canberra: ANU, 1976), pp. 96–7.
[3] See Hyam Gold and Ramesh Thakur, 'Looking for the Yellow Brick Road', *New Zealand International Review*, Vol. 6, No. 2 (March/April 1981), p. 10.

other country in the world.'[4] Now there was concern that NAFTA bickering might spill over and damage the broader Australian-New Zealand relationship. To repair and improve these links, Talboys embarked on an unprecedented three-week tour of Australia in March–April 1978, visiting all the state capitals as well as Canberra.

The length of Talboys's visit was itself symbolic of the increased emphasis placed on trans-Tasman ties. In substantive terms, the highlight of the tour was a joint Fraser–Talboys statement of 19 March, the so-called Nareen declaration, where the two affirmed their desire to remove barriers to the continued expansion of free trade.[5] In the prolonged gestation period following the declaration, Australian manufacturers became even more insistent in demanding reciprocal opportunities for market penetration. In October 1978, the Confederation of Australian Industry warned its New Zealand counterpart that Australia might begin to withdraw from NAFTA unless a real attempt was made to broaden trans-Tasman trade.

Increasing dissatisfaction with NAFTA within Australian industry was paralleled by misgivings voiced by senior politicians at the April 1979 NAFTA ministerial meeting in Wellington. Doug Anthony, the Australian Deputy Prime Minister, was very unhappy with the interminable NAFTA wrangles over petty issues, and concerned to combine and enhance the two countries' negotiating strength in a bloc-orientated external world. Anthony's involvement seems to have acted as a catalyst for joint government action, and preliminary studies were initiated in both countries to explore possible means of bringing about closer economic association. The subject was elevated to prime-ministerial level at the Commonwealth summit in Lusaka in August. Agreeing to a comprehensive re-examination of the bilateral relationship, Robert Muldoon and Malcolm Fraser decided to sharpen studies already in progress to explore the full range of options that might be open, such as a continuation of NAFTA, full free trade, a customs union, or even economic and monetary union.

The two Prime Ministers met again in Wellington on 20–21 March 1980. They felt that NAFTA 'in its present form did not seem to be providing sufficient impetus to the kind of co-operation which would best serve the interests of the two countries in the changing international economic environment.' The time was considered ripe to take the special relationship a step further. The joint communiqué accordingly included an annex setting out the framework for further detailed exploration and examination of possible arrangements for CER.[6] The annex was concerned chiefly with the expansion of trade. Emphasizing that there was as yet no commitment to any specific proposal, the two sides defined the central trade objective as a mutually beneficial, gradual and progressive liberalization of trans-Tasman trade on all goods produced in either country. They also sketched out a programme of phased tariff reductions and import quota extensions for this purpose, but identified a number of problem areas for further study and considera-

[4] *New Zealand Foreign Affairs Review*, July–September 1977, p. 28.
[5] Full text in *ibid.*, January–March 1978, pp. 27–9.
[6] Text in *ibid.*, January–March 1980, pp. 15–18.

tion before trade liberalization could begin in earnest. Special attention would have to be given in particular to non-market trade inequities, for example differences in protective rates levied on raw material imports from third countries (the 'sourcing' or 'intermediate goods' problem).

Progress in resolving these issues was not smooth. Officials met repeatedly, yet when the two Cabinets reviewed the state of play in early 1981, they discovered difficulties where previously the officials had thought solutions to be within grasp. Thus the Australian Cabinet endorsed much of what the officials had done. But ministers also reaffirmed some basic principles of the 1980 Prime Ministers' communiqué, in particular the goals of certainty and predictability. They pinpointed problem areas where more specific assurances still had to be obtained from the New Zealand government. Agricultural trade opportunities under any CER agreement must be fair but not disruptive, especially as regards the highly sensitive Australian dairy industry. A commitment to the removal or at least harmonization of export incentives on mutual trade would be required. And, in particular, the Australian politicians insisted that New Zealand must agree to complete elimination of quantitative restrictions on trans-Tasman trade by a specific date (e.g. 1995 or 1999), fixed at the time of the agreement. Phasing out of tariffs would secure free access to the Australian market for New Zealand in five years. In order to sell CER to its constituency, the Australian government wanted an equivalent finite date by which it could claim genuinely free access to the New Zealand market.

In the business sector, the New Zealand Manufacturers' Federation (NZMF) gave a cautious and qualified support to the CER concept. Early in 1981, the Federation's Vice-President, Earl Richardson, warned that unless a significantly revised arrangement was obtained, export opportunities in the Australian market would at best remain static, and quite likely erode, as NAFTA's term drew to a close. In taking a stance on CER, the Federation sought to reconcile this concern with anxiety among some of its members that domestic markets might be swamped by Australian imports under CER. Accordingly, at its February Council meeting, the NZMF affirmed its support for the controlled and progressive expansion of trans-Tasman trade, but made it clear that it opposed the complete elimination of import licensing and tariffs on all trans-Tasman trade. Adequate safeguards for domestic manufacturers were said to be necessary to offset the smaller size of the home market and the higher infrastructural costs in areas such as freight, fuel and taxation. The government, for its part, remained steadfast in resisting industry pressures for wholesale exclusion from the CER regime. In its discussions with manufacturers, the government reaffirmed the commitment to keep the list of products deferred from CER as short as possible with respect to both number and duration. Other sections of New Zealand business had fewer reservations in endorsing CER in 1981, for example the Australia–New Zealand Businessmen's Council and Chambers of Commerce.

### Closer economic relationship

CER gained political ground as well in 1981. The two Labour oppositions were briefed on the discussions and moved towards supporting the concept. However,

it was a Muldoon–Anthony meeting in Wellington in May that effectively broke the political impasse, and allowed officials to proceed. The pace of negotiations was slowed down because the government's attention in New Zealand became focused almost entirely on the forthcoming Springbok rugby tour and the general elections. With the Muldoon government back in power, negotiations moved rapidly to a close, and an 'exposure draft' of the agreement was released finally in June 1982.[7] The operation of the agreement is meant to realize the central objective of a gradual and progressive liberalization of trans-Tasman trade on a mutually beneficial basis. The liberalization of trade in turn is designed to generate new trading opportunities, enhance economies of scale, and assist moves towards a more rational and efficient use of resources in both countries.

The objective of free trade is predicated on four major principles. The proposed CER agreement emphasizes the principle of fair competition between the two countries, but suggests that many of their current differences in wages, fiscal measures and tariffs towards third countries may balance out in total effect. These differences need not be harmonized in the foreseeable future, but their impact can be considered through the safeguard and consultation provisions of the new agreement. The second important principle is comprehensiveness in the scope of the new agreement: it is to apply to all agricultural and industrial goods. Third, the process is gradual and progressive in order to give industries time to adjust to the new regime. The final principle is that of automaticity. Deferments from the liberalization process are industry specific and time bound. The emphasis is not on long and complicated exemptions, but on establishing a trading relationship characterized by a degree of predictability in tariff reduction and access generating mechanisms, with administrative management and review procedures kept to a minimum.

*Tariffs and import licensing*

The provisions to remove tariffs and import restrictions comprise the main elements of CER. Most tariffs will begin to be phased out from 1 January 1983, or whenever the agreement begins. Goods with tariffs up to 5 per cent will become duty-free immediately. There is a graduated scale of tariff elimination on other goods, designed to produce duty-free treatment within one to five years. That is, most tariffs are due for elimination by 1988.

The procedures for phasing out import controls are more complex. The agreement establishes a base level of access opportunities, largely by reference to a three-year average of imports. This base is then expanded by 10 per cent annually in real terms, either through increasing licences globally or exclusively for Australia. For goods currently restricted by import controls, the formula is calculated to double access opportunities every seven years. The impact of the direct controls will become less and less restrictive. However, there are some exemptions once again to the access generating provisions. The formula, therefore, will not in itself

[7] *Proposed Arrangements for a Closer Economic Relationship between Australia and New Zealand* (Wellington: Government Printer, 1982). Copy supplied to authors by Mr Stan Rodger, MP.

eliminate all New Zealand quota restrictions on Australian imports by the target date of 1995; but it is proposed to lift all remaining controls by that date. It should be noted that CER does not guarantee any particular volume of sales for either country—but it does seek to guarantee increasing opportunities to sell.

*Agricultural support and stabilization*

In general, agricultural and industrial products receive similar treatment under CER. In many cases, trade is already free and will remain so (e.g. meat, wool). The continuance of existing support and stabilization measures is considered to be important to the welfare of the agricultural sectors of the two countries. The objective of fair competitive conditions is not abandoned, however, and particular arrangements have been worked out for wheat, sugar, citrus fruits and certain tropical products to make them consistent with CER principles. Special provisions are proposed also for the sensitive area of dairy products, building on agreement between the two dairy industries. For example, New Zealand is to be allowed a share in the future growth of the Australian cheese market. Finally, CER seeks to encourage a strengthening of the existing liaison and co-operation between the two countries in marketing agricultural products in third countries.

*Export incentives*

The two countries recognize that export-subsidy schemes are incompatible with CER, but that both governments have commitments regarding existing schemes. New Zealand's export incentives are generally to remain unchanged until 1985. Performance-based export incentives are to be eliminated by 1987, with bilateral consultations being required prior to any significant changes in other export incentives.

*Government purchasing*

The agreement accepts that maintenance of preferences would be inconsistent with CER. Accordingly, it contains new commitments at the national level, which extend domestic-supplier status to New Zealand suppliers in Australia in the realm of high technology and defence-strategic industries. Discussions are to continue between New Zealand and the Australian states towards adjusting preference margins on a reciprocal basis. Presumably, the objective is to negotiate a series of bilateral agreements between the New Zealand government, on the one hand, and the various state governments, on the other, with a view to achieving equivalent supplier status.

*Other trade distorting factors*

Measures relating to standards, testing procedures, domestic labelling requirements etc. can constitute potential impediments to free trade. These are not dealt with in detail at present, but there will be efforts to tackle problems as they arise, and to examine the scope for harmonization. Similarly, in some cases divergent government measures can affect the relative cost of components or 'intermediate goods', thereby affecting the competitiveness of finished products. Where this

presents a significant problem, CER provides for a range of countervailing measures, including consultations to resolve the problem at its source, adopting a common external tariff or narrowing the tariff differential, varying the area content requirement, introducing compensating tariffs etc.

*Exceptions, modifications, special provisions*

There are no permanent exceptions to CER other than those needed to accommodate national security interests. Nevertheless, both sides recognize the need for the trade liberalization process to be modified or accelerated for some products in order to ensure a smooth transition from existing arrangements, as well as to cater to the special adjustment needs of particular industries. There is a common list of goods (17 categories in all) subject to modified liberalization, e.g. cheddar cheese, plastics, rubber goods, apparel, and motor vehicles and components (Annex IV of the proposed agreement). Individual programmes and timetables are to be adopted for these goods; in some instances, interim access levels are to be made available pending decisions on relevant industry studies or reports. But, in any case, goods on the deferred list are to become subject to the common tariff and access liberalization formula at 'as early a date as possible', or at least to a suitably adjusted formula consistent with the objectives of the new agreement. Once CER is signed, no additional goods can be added to the deferred list (Article 5:05 of the proposed agreement).

Some of the important products with special provisions include dairy, wine, horticulture, whiteware (refrigerators, washing machines, driers etc.), carpets and steel. In wine, for example, CER is expected to produce a progressive liberalization of trade within the framework of an arrangement agreed to by the two industries. But cheaper wine will not be allowed into New Zealand under the liberalization process until 1986. In horticulture, on the other hand, New Zealand will implement an early phase-out of export incentives in return for acceleration of the liberalization formula in some products, e.g. processed potatoes.

*Consultation, safeguards, review*

The agreement incorporates consultation and safeguard provisions for the transition period. Safeguard instruments will counter cases of unfair advantage arising from dumping, subsidization or significant trade deflection; for a transitional period only, special safeguards will apply in cases of severe material injury caused by liberalization of trade. The impact of CER is to be closely monitored on a continuing basis, culminating in a broad-ranging review in 1988 to see whether adjustments might be warranted, and to assess such ancillary matters as standards and government purchasing.

*The South Pacific*

Both governments have been at pains to describe CER as outward-looking. In part, this results from their desire not to go back on commitments to the South Pacific island countries. The latter have duty-free, unrestricted access into New Zealand for most products under the terms of the South Pacific Regional Trade

and Economic Co-operation Agreement (SPARTECA), signed in 1980. Australia, too, is party to SPARTECA, but under different terms than New Zealand. Both the CER partners are to continue consultations with the regional countries to try and harmonize CER and SPARTECA commitments. The Australians are additionally anxious that CER should not be seen as keeping out the ASEAN countries by erecting common protective devices against imports from outside the South Pacific region.

**Mixed prospects**

In releasing the proposed CER agreement on 4 June 1982, Prime Minister Muldoon described it as 'the most significant external opportunity for New Zealand in recent years . . . opening a new era for New Zealand industry'. This is because CER is to be a comprehensive agreement, broad in scope and open-ended in duration, covering trade and economic relations with New Zealand's most important trading partner. The unusual step of releasing the text prior to its signature was taken in order to provide scope for discussions before final commitment. Consultations closed on 30 July 1982. Formal signature was expected in September, with the agreement coming into force on 1 January 1983.

There is unlikely to be any major disruption to the above schedule. Nevertheless, some caution is in order, for several reasons. The first is the very fact that CER has not been signed yet. There is still scope, therefore, for determined opposition in some sections to modify it. For example, in New Zealand, the Federation of Labour announced its opposition to CER on 9 June 1982 because of the agreement's ideological commitment to free trade and its likely adverse employment opportunities. On the same day, the executive officer of the Grocery Manufacturers' Association warned that his industry could be doomed under CER.[8]

Second, the history and experience of NAFTA is bound to restrain any enthusiasm regarding the prospects for CER. Protectionist inclinations among manufacturers and bureaucrats have created habits of inertia, wrangling and interference, which may die hard. This could be particularly relevant for the deferred list, in that snags could easily develop to slow down the pace of shortening the number of items on the list. For example, in the case of steel, this is to some extent anticipated in the text itself, which states that if one country finds it necessary to introduce tariffs or otherwise restrict access, then so may the other (Attachment C). Moreover, the document specifies that if the two industries fail to reach agreement on arrangements for steel within a year of the start of CER, then the two governments will work out an agreement. But if the possibility of failure exists in the first instance, then why not in the second?

Third, the proposed agreement glosses over differences in some other respects as well, for example in the areas of government purchasing and regional obligations. So far, agreement has not been reached between New Zealand and the state governments in Australia. In fact, in Queensland opposition to CER has been expressed recently by fruit and vegetable growers, by the State's Primary Industries Minister, and by Premier Joh Bjelke-Petersen, on the ground that it unduly favours

[8] *Otago Daily Times*, 10 June 1982.

New Zealand. Australian incentives are to be phased out by the end of 1983; but New Zealand will not end its export incentives until 1987, and it will receive import protection until 1995. This is seen as unfair to the interests of Queensland primary producers. The South Australian Industrial Affairs Minister made similar comments, too, and also extended the list of Australian industries being harmed to include domestic appliances, whiteware and forestry.[9] On 5 July, all the Australian state agricultural ministers joined together to voice their common concern on these issues. Clearly, agreement with the states is not yet to hand. Similarly, attempts to reconcile CER principles with SPARTECA obligations could come close to trying to square the circle. Indeed, some voices have been raised urging the expansion of CER to encompass the entire South Pacific region. But this, too, would create problems.

Fourth, the two Labour opposition parties have begun to express dissatisfaction with the precise details of the proposed agreement. They had earlier endorsed CER in principle. But recently both have voiced complaints that their respective governments have caved in too readily to the other side's demands, without adequate safeguards for domestic concerns.

Finally, the CER agreement will of course inaugurate a new regime. In the process, it will inevitably throw up a number of 'second generation' issues that will need tackling, such as harmonization of company law, restrictive trade regulations, foreign investment and transport policies. Not all of these can be foreseen, and the resolution of some could present difficulties. Perhaps it will become necessary at some stage to give an institutional form to the CER regime.

For the moment, though, a CER agreement looks likely, but as an expanded trading relationship. It is neither designed nor expected to create a trans-Tasman economic community.

[9] *ibid.*, 18, 24 and 25 June 1982.

PRINTED IN ENGLAND BY POPPER & COMPANY LTD, WELWYN GARDEN CITY, HERTFORDSHIRE

[T]HE WORLD TODAY, *founded in 1945, is issued under the [a]uspices of the Royal Institute of International Affairs and published monthly [b]y the Oxford University Press*

**[A]nnual subscription** *Vol. 38 (1982)*
[p]ost free)
*[U]K £12*
*[U]S $34*
*[E]lsewhere £15*

**Single copies**
(post free)
*UK £1.20*
*US $3.40*
*Elsewhere £1.50*

*[O]rders may be sent to booksellers and newsagents or to the Oxford University Press, [J]ournals Department, Walton Street, Oxford OX2 6DP, UK. Tel. 0865 56767*

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CHATHAM HOUSE


ISSN 0043-9134

ROYAL INSTITUTE OF INTERNATIONAL AFFAIRS

# THE WORLD TODAY

EDITOR: LILIANA BRISBY
EDITORIAL SECRETARY: JEAN PELL

November 1982 Vol. 38 No. 11

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Manuscripts and correspondence should be addressed to the Editor, *The World Today*, Royal Institute of International Affairs, Chatham House, 10 St James's Square, London SW1Y 4LE.

# Note of the month

## EXIT HERR SCHMIDT

THE collapse of the West German government coalition of Social Democrats and Free Democrats (SPD/FDP) on 17 September and its replacement by a coalition of the Christian Democrat Union (CDU) and the Christian Social Union (CSU) with the FDP on 1 October marked an end to 13 years of SPD/FDP government and a shift to the right in West German politics. Despite the change of government, uncertainties continue to exist within the West German party system; while remaining unresolved, they represent an element of instability in West German politics.

As in many other advanced countries, the adverse economic situation has made government in West Germany more difficult. A period of substantially reduced economic growth had increasingly brought Social Democrats and Free Democrats into sharp conflict over issues of public expenditure and economic recovery. The two years since the 1980 election[1] have thus been dominated by economic problems, with the government never appearing to be firmly in control, and mutual attacks becoming more frequent until the two parties no longer had the strength or willingness to work together.

In addition, the internal difficulties of the SPD during this period aggravated relations with the FDP. Government defence policy in the light of the decision on Nato modernization and its nuclear energy programme caused considerable dissension in the ranks of the Social Democrats. At the same time, the SPD was losing its working-class support, being forced to compromise social democratic policy within the coalition and yet unable to prevent unemployment rising to almost two million. The SPD presented an image of inconsistency and disorientation, too wrapped up in its own affairs to determine trends or grasp new issues. The resulting gap between party and government widened and increasingly deprived Chancellor Schmidt of the backing he needed to govern.

This negative image was reflected in opinion polls, for although Schmidt remained the most popular politician, support for the SPD declined. By February 1981 it had slipped below 40 per cent and by August 1982 to under 30 per cent—an unprecedented low for a major party in government. This trend was confirmed both in local elections, where the SPD lost control of many local councils, and in three *Land* elections, where SPD losses snowballed from 4·3 per cent in May 1981 in Berlin to 8·8 per cent in June 1982 in Hamburg.

Both opinion polls and election results made clear that the SPD and FDP could no longer maintain a joint majority and the leadership of the Free Democrats came to feel that their party was being dragged down by their partner's difficulties. At the same time, the FDP's function as the pivotal party in a three-party system was being eroded by the success of the Green/Alternative parties. In the *Land* elections,

[1] For background, see Carol Carl-Sime and Jane Hall, 'The predictable Germans: 1980 election retrospect', *The World Today*, December 1980.

the FDP was pushed into fourth place behind the Green/Alternative parties (GAL) and in Hamburg, it did not even obtain 5 per cent of the votes necessary for parliamentary representation. The challenge of the Greens/Alternatives on the left together with its disagreement with SPD economic policy led the Free Democrats to consider extending their appeal to voters right-of-centre.

The decision of the Hesse FDP in June 1982 to end its 12-year coalition with the SPD and to campaign in favour of a coalition with the CDU prior to the September *Land* election provided an opportunity to test voter reaction to such a coalition. However, by citing their lack of confidence in the SPD's ability to handle the economic and social problems of the 1980s as their justification, the Free Democrats worsened relations with the SPD at a time of difficult budget negotiations and brought the Federal coalition to the brink of collapse.

Over the summer of 1982 speculation intensified, effective government was paralysed, mutual accusations grew more bitter and the end of the coalition became a matter of time. In the highly charged atmosphere, the study paper from the FDP Minister of Economics, Count Otto von Lambsdorff, outlining radical cuts in the social welfare system while encouraging private investment via tax cuts on profit and capital, was clearly a provocation to the SPD. Helmut Schmidt now took the initiative and by neatly outmanœuvring the FDP leader, Hans-Dietrich Genscher, and his ministers into resigning was able to accuse the Free Democrats of causing the collapse of the coalition.

The Hesse election was thus transformed into one of national significance as a barometer of voters' feeling towards a CDU/FDP coalition. However, instead of the predicted 34 per cent the SPD obtained 42·6 per cent of the vote—a drop of only 2 per cent compared with its 1978 result, whereas the CDU, which was expected to gain an absolute majority, obtained 45·6 per cent—just below its 1978 result. But the real loser was the FDP with 3·1 per cent of the votes, a loss of 3·5 per cent compared with 1978, its lowest result in any Federal or *Land* election. The result clearly failed to give the Kohl/Genscher government in Bonn the confirmation it had wanted and added fuel to SPD demands for Federal elections immediately.

Shifting alignments within and between the various parties are creating new tensions in the West German party system. The adjustment of the established parties to new issues and changing conditions may be protracted, requiring a change of leadership and a revaluation of party programmes.

In opposition, and without the pressures of government, the SPD may be able to tackle its many problems. Unable to form majorities alone, it has expressed a desire to maintain contacts with FDP supporters of the outgoing coalition. The question of possible co-operation with the Greens/Alternatives is threatening to divide the party, and with two hung parliaments in Hamburg and Hesse, where the Greens/Alternatives hold the balance of power, the problem has become acute. The talks between the SPD and GAL in Hamburg finally broke down, and another election will now be held, probably in December. The SPD needs to work out new perspectives and ideas, integrating the interests of its traditional working-class supporters with those of its new middle-class members. This is no easy task, but

the future of the SPD as an effective opposition party and its chances of obtaining power at all levels, including Bonn, will depend on success here.

The Free Democrats have emerged disunited with a loss of credibility and the odium of opportunism. Since the government collapse, they have failed to gain 5 per cent of the votes in both Hesse and Bavaria, and with more *Land* elections, and possibly a Federal election in 1983 ahead, they are in danger of losing further parliamentary representation. The resignation of the FDP's General Secretary, Günter Verheugen, and the unabated criticism from the left wing, with one-third of FDP MPs opposing the new coalition, call in question the extent to which the Right and Left can continue to work together within the party. Its weak negotiating position in the new government was not helped by the Hesse result, a point that the CSU leader, Franz-Josef Strauss, was quick to emphasize. The CSU's influence in the new coalition and its undisguised hostility towards the FDP resulted in the replacement of Gerhart Baum, a leading left liberal, as Minister of the Interior by the CSU politician, Friedrich Zimmermann, thus weakening the FDP's ability to exert a liberal influence on government policy. Further compromises forced on the FDP include acceptance of a tax on the better-off, which it had rejected in the SPD coalition. This weakness of the FDP's position in the new coalition must further undermine its electoral appeal.

Although the conservative Union parties have achieved the goal of office, they have had to develop a government programme at short notice, with their leader, Helmut Kohl, lacking the full support of his party and having to hold the balance between an uncertain FDP and an ambitious CSU. The Union itself is divided on several issues and negative economic trends will now work to its disadvantage. Its programme includes cuts in the social welfare system with encouragement for private investment; and a more conservative law-and-order policy and greater support for Reagan's foreign policy can be expected. The reaction of the protest movement and of the trade unions to these measures could well create a climate in which government becomes more difficult.

Although the future development of the established parties is unsettled, it is the emergence of the Green/Alternative parties that has made the system unstable and unpredictable. Attractive, especially to the disaffected young and those dissatisfied with the established parties, much of their success has been due to this negative vote against established party politics. However, their desire to retain 'purity' of protest by refusing to compromise and accept political responsibility has confronted them with new problems. Gaining between 6·5 per cent and 8 per cent of the votes in *Land* elections since 1980 (except in Bavaria), their electoral success had led to potential instability with the creation of two hung parliaments where they hold the balance of power. There are already signs that their MPs are becoming drawn into parliamentary work, and the debate about their function in the system has divided what is a fragile alliance of interests. Some members advocate continued opposition and pursuit of the aim of making West Germany 'ungovernable'. Others feel that this is untenable and that the question of co-operation with the SPD will have to be tackled. Their position in the system could also change if the Social Democrats are able to provide an effective opposition and alternative for dissent.

West German politics are in a transitional phase, with the emergence of new issues and a shift in economic circumstances creating movement in the spectrum of opinion. This has brought pressures for a realignment of the party system which is still in need of resolution. The extent to which the parties are able to adjust successfully to these pressures will determine the ability of the system to overcome the many challenges it encounters.

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**Corrigenda**

In the article 'Islam in Colonel Qaddafi's thought', *The World Today*, July–August 1982, p. 321, the views attributed to Daniel Pipes are, in fact, quotations taken by him from [Shiloah Center], *The Islamic Factor in Arab Politics* (Tel Aviv: Shiloah Center, 1979), p. 66, which cites Qaddafi.

In the article 'Practice and theory in Soviet arms control policy', *The World Today*, July–August 1982, p. 259, line 17, for *Pravda* read *Kommunist*, 10/81.

# Britain and Nato: the case for revision

MICHAEL CHICHESTER

THE outcome of the current debate on the future course of British defence policy will have profound effects on the future of the Nato Alliance. For the debate is no longer over how to reconcile 'the mismatch between resources and commitments'.[1] Such a reconciliation can only be achieved either by increased allocations to the defence budget or by a reduction in the overall military contribution to Nato. Since the former is politically and economically impracticable, the latter course has been adopted by the British government.

As Professor Freedman pointed out, the debate originated with the government's decision in 1981 to sustain British forces in West Germany at the Brussels Treaty commitment levels and to obtain the long-term economies needed to finance the modernization of the British strategic nuclear deterrent force (the Trident programme) and of the Royal Air Force (the Tornado programme) by drastic reductions in naval manpower, in dockyard support services, and in the size of the surface fleet. These plans would reduce the size of British naval forces assigned to Nato's East Atlantic and Channel commands by about one-third.

It is over this choice of priority for the commitment of 'continental' as opposed to 'maritime' forces to Nato that the debate flows. But the 'revisionists', amongst whose ranks the writer is to be found, are not just the old sea dogs of an island nation as they are often portrayed by their critics. Their horizon is wider than that which is visible from the mastheads of the frigates whose retention they certainly support. More constructively, they believe that the problem of how to defend Western Europe (which is, after all, the primary objective of Nato) has changed out of all recognition since 1949, that further changes will occur during the rest of this decade, and that Nato itself has so far taken insufficient account of these developments. By awarding priority to the maintenance of British forces in West Germany (particularly the Rhine Army) at the expense of Britain's maritime forces the government is supporting an Alliance strategy which is in urgent need of change. The revisionist case is that, by making the choice of strategic priorities which it did in 1981 entirely on economic grounds and without any prior consultation with its Nato partners, the British government succeeded not only in laying the seeds of an unnecessary and sterile inter-service argument at home but also lost the opportunity which the need for further defence economies had created of initiating a major strategic review within the Alliance designed to look forward rather than to stand still.

Since the founding of Nato, the Soviet threat has become a global threat, no longer conveniently (for the Alliance) confined to the European central front, its

[1] See Lawrence Freedman, 'British defence policy after the Falklands', *The World Today*, September 1982.

Commander Chichester retired from the Royal Navy in 1961 and is joint author, with John Wilkinson, of *The Uncertain Ally: British Defence Policy 1960–1990* (Aldershot: Gower, 1982).

flanks, and the transatlantic shipping routes north of the Tropic of Cancer. This extension of the threat has increased the options open to Soviet Russia in its long-term campaign of worldwide strategic advancement. A policy of political exploitation backed by military strength to gain control of the economic resources on which the Nato countries rely, and of key ocean areas (or 'choke-points') through which Alliance shipping must pass with its cargoes of these resources, now extends the threat beyond the defensive circle of the original Nato area with less risk of escalating the level of conflict and with equal if not greater chances of success than would result from an assault on Western Europe. This new strategic situation facing Nato is not one with which it is designed to deal. But if the West as a whole is to mount a successful counter-attack on the gradual erosion of the strategic security which Soviet Russia is currently achieving, it is essential to strike a new balance in defence resource allocation between the defence of the historical Nato area and the provision of forces to counter the threats arising beyond this area. This is the realistic imperative which is driving strategic planners steadily towards the concept of military 'burden-sharing'.

## Global burden-sharing

The concept can be defined as the organization of all the military resources available to the Western Alliance as a whole in the most efficient and cost-effective manner possible so as to provide a viable deterrent to the Soviet global threat to Western interests and territory whether within the Nato area or beyond it.[2] Within the inevitable limitations which national political considerations will cause in each member country, a burden-sharing plan should take account of developments within the Nato Alliance during the recent past (for example, what roles are to be assigned to Spain's armed forces in future Nato plans?), of technology and the potential of new weapons which may demand fresh strategic planning and tactical doctrines (for how much longer can the tank be considered 'the best anti-tank weapon'?), and, most importantly, of the changes in the economic health of Nato's European members which have taken place during the past 30 years. Some are stronger economically, some weaker, and Britain is in the second category at the present time. The scope and scale of each country's contribution to any scheme for sharing the military burdens of the defence of Western Europe and of its vital interests in other areas will depend upon what each can afford as well as on its geographical situation and military capabilities and traditions.

The need for a global approach to Western defence planning raises the question of participation in any worldwide strategic plan of non-Nato countries which would view with concern Soviet attempts to project power or influence into areas adjacent to their own territories. Japan is the example which comes at once to mind, but Australia and New Zealand might also be prepared to help. The inability—or unwillingness—of the West to reach any form of understanding with South Africa over strategic matters, including new arrangements for use of the Simonstown

[2] For a detailed discussion of burden-sharing and how such a plan might be agreed by the countries concerned, see Michael Chichester and John Wilkinson, *The Uncertain Ally: British Defence Policy 1960–1990* (Aldershot: Gower, 1982).

base, continues to leave a yawning gap in the defences of the Cape shipping route.

The Soviet navy, now capable of deploying strong surface and submarine forces worldwide in support of Soviet policy and with numerous bases and anchorages as well as afloat support to sustain it, forms the most formidable component of the global threat to the West. Nuclear power, new weapons and missiles, and modern reconnaissance sytems have made the protection of Western shipping in war a worldwide problem[3]. Another factor to be taken into account is the Soviet capability for rapid intervention in certain areas provided by its long-range strategic air transport fleet, a capability enhanced by the advantages of interior lines of communication which geography has granted to Moscow, especially in the Middle East.

Maritime and rapid intervention land and air transport forces are, therefore, the two elements of military power which Western countries require to counter Soviet expansion beyond the Nato area. Flexibility and mobility are the basic characteristics of such forces and allow them to be switched between the European theatre (or the North Atlantic) and other areas as the situation demands or a threat emerges. Those who seek to recast the present pattern of British defence policy believe that more resoures should be allocated in future to forces such as these. Given the likely constraints on defence spending for the rest of this decade, they could represent the most cost-effective British contribution of conventional forces to any new strategic plan for the Western Alliance.

The United Sates will provide the great majority of the forces needed for deployment outside the Nato area: the creation of the Rapid Deployment Force and the expansion of the US Navy provide firm evidence of this intention. But many of the interests which these forces are intended to protect are of equal concern to the European members of Nato and the United States rightly expects help from its allies in this task. In this context, the threat to the Middle East oilfields is never far from the minds of the Pentagon as Mr Caspar Weinberger, the US Defence Secretary, explained in an interview with David Watt in London in September 1982:

> 'As far as activities outside the Nato area are concerned . . . I have said many times that I think Nato should begin to plan for this possibility, particularly in the mid-east contingencies because access to the oilfields is vital. . . I think just ordinary contingency advance planning would dictate that Nato give some consideration to the possibility that some of their forces may be needed there.'[4]

A key aspect of burden-sharing is, therefore, how best the Nato European countries can help the United States in its new-found world military role. There will be a need to replace some United States forces previously deployed in the European theatre; more European reserve forces will be required to take the place of US units presently earmarked for reinforcement of the Central Front in an

[3] For an interesting review of Soviet potential for mounting a worldwide offensive against Western shipping, see the Foreword to *Jane's Fighting Ships, 1982–83* (London: Jane's Publishing Co., 1982).

[4] *The Times*, 9 September 1982.

emergency; and those Nato European countries which can do so (at present only Britain and France) should organize and maintain within their own force structure a modest intervention capability and the means to despatch a small naval task force beyond the Nato area without causing too serious a reduction of maritime forces at readiness within that area. But all this will only be possible if the Nato European countries continue to increase their defence budgets by the agreed 3 per cent per annum in real terms at least until 1984 and probably for another period thereafter.

If plans for Nato forces to operate beyond Europe and the Tropic of Cancer are ever to see the light of day, there will have to be more effort on the part of the United States to appreciate the problems which such plans would raise for its European allies and a greater willingness on the part of those allies than has so far been evident to co-operate in finding solutions to these problems in the interests of the Alliance as a whole. With the exception of Britain, the reluctance of Nato's European member countries to provide or earmark forces for possible deployment outside the Nato area is not entirely due to financial considerations. Sensitive political issues are involved as well as practical matters of military planning.

For example, should the area in which the provisions of the North Atlantic Treaty apply be extended to cover the Indian Ocean or the South Atlantic? For understandable reasons, the smaller Nato countries have always been reluctant to agree such a step. But, without such an extension, how can military forces be deployed in such areas under Nato as opposed to national command arrangements? Again, with the exception of shipping, the perception of what interests are 'vital' and worth the deployment of military force to defend may—indeed in present circumstances almost certainly will—differ between Washington and West European capitals. Yet, if Nato command arrangements cannot be geographically extended, it would be militarily sensible for any European forces sent to assist the United States 'out of area' to come under the command of the inevitably much larger US forces with which they will be co-operating. But from then on European forces would be acting de facto in support of a foreign and strategic policy with the objectives of which their governments might not be wholly in agreement. These are some of the problems which will be encountered in preparing a global plan of military burden-sharing. In Britain, those who seek to revise the country's strategic role within the Alliance believe that of all the European allies the United Kingdom is best placed to take the lead in the provision of help to the USA in out-of-area deployments and in so doing to help bridge the gap between Washington and Nato Europe which discussion of this project is likely to reveal. The fact that the most suitable form of such help will be naval and rapid intervention forces which can also be used within the Nato area is another reason for giving priority to these forces in future British defence budgets and for a reversal of the 1981 Defence Review.

### The Central Front

But what of the Central Front in Europe, still of prime concern to Nato but becoming more and more an obsessive mental barrier to politicians and defence staffs alike, a barrier deflecting constructive thought for the future back to a deter-

mination born partly of fear and partly of inertia that nothing should be changed? There is a need to reposition the question of the defence of the Central Front as one of the many problems which will arise in devising a global strategy for the West. The political difficulties which will be encountered in any attempt to tamper with the existing allied force structure in West Germany are likely to be daunting. But the strategic situation facing the Alliance demands that this nettle be grasped. If the West is to provide an effective deterrent to future Soviet expansion worldwide, then its political leaders need to agree on one fundamental point which lies at the heart of the matter. It is that the commitment of the United Kingdom and also of the United States to join in the defence of the whole Nato front in Europe in the event of a Soviet attack will be neither prejudiced, compromised nor weakened by a reduction in the actual numbers of ground forces permanently stationed by either of these countries within the Federal Republic of Germany in peacetime.

During the next few years, Nato should gradually reorganize its defence plans for the Central Front as new weapons, equipment and technologically advanced command and control systems become available. It is already clear that such a combination will bring about major changes in the nature of land warfare and will swing the battlefield balance more towards effective defence, particularly against the offensive use of armour. Sophisticated new surveillance and intelligence gathering systems will increase the warning time of any Soviet preparations for an attack. The increasingly criticized concept of forward defence will need to be reviewed as these developments take place.

Nato will have to consider the balance to be struck between resources allocated to the land and air support component of Central Front defences and to other systems now needed to defend all Western Europe against other forms of attack. The whole of Western Europe including the United Kingdom is now threatened by no less than 324 Soviet SS 20 intermediate-range missiles (972 warheads) as well as by long-range bomber forces. There is no need for Soviet forces to reach the Channel ports or even the Rhine in order to be able to inflict devastating damage on the airfields, ports and factories of Nato countries by missile and air attack. Air warning, air defence and anti-missile systems now require as much provision as do conventional land forces.

### A new role for Britain

What should be Britain's contribution to any scheme for sharing the burdens of Western defence on a worldwide basis? It is in their proposed answer to this question that the revisionists state their case.

Britain still possesses the most powerful maritime forces in Western Europe despite the cuts imposed on these forces in the mid-1970s. For a cost of only 23 per cent of the defence budget it provides no less than 70 per cent of all Nato maritime forces assigned to the East Atlantic and Channel commands. No other European Nato country can make such a contribution to Nato's maritime strength. Its unique geographical situation within the Nato area, its seafaring tradition and its historic naval expertise as well as its own dependence on sea communications for more than 95 per cent of its trade all combine to establish the case for Britain to remain

the strongest naval power in Nato Europe and for its maritime forces to form the principal element of the British contribution to any scheme for sharing the military burdens of the Alliance in future. Such a policy will require cancellation of the plans to cut both the surface fleet and naval manpower contained in the 1981 Defence Review, plans which have already been altered in some respects in the aftermath of the Falklands operation. It will also require rearrangement of the priorities for defence resource allocation envisaged in that review and Nato agreement for a new British strategic role in which maritime and air forces play a larger, and British forces in West Germany a smaller, part than at present. Here, in brief, is the initiative which the revisionists consider Britain should take to adapt its present Nato role to the more flexible structure which the global approach demands. It will necessarily include a formal request for release from the inhibiting Brussels Treaty commitment to maintain fixed numbers of land and air forces in West Germany until 1992.

The need for a new approach to the defence of the Central Front has already been discussed. It is the view of the British revisionists that in any burden-sharing plan the defence of the Central Front in Europe should become the prime responsibility of the continental Nato countries themselves. As the First Sea Lord, Admiral Sir Henry Leach, put it in a lecture to the Royal United Services Institute for Defence Studies in June 1982:

> 'The only other Nato navy that might do more is the Federal Republic of Germany which has recently extended its operating boundary up to the Norwegian Sea. But does it make sense for the Germans with their limited coastline to build up their navy and take on a greater Eastlant role so that we in this country can reduce the size of our navy and make savings to build up our forces in the German homeland—particularly now that the offset agreement has ended?
>
> Surely the sensible and cost-effective thing for Nato to do is to build on what already exists: for countries such as West Germany with their continental expertise and geography to concentrate on the Central Front—after all it is their own soil—and for the United Kingdom with its maritime edge to maintain its lead at sea.'[6]

Britain's Rhine Army is certainly no longer cost-effective. In an evolutionary period when flexibility and mobility are essential qualities for British forces so that they can be switched from one role and one area to another, it is neither organizationally mobile nor strategically flexible. Its armoured element, a large part of the whole, is useful only in the somewhat unique environment of the Central Front in Europe. Its personnel have to be supported by 2,000 British civil servants and some 24,000 locally engaged Germans, and are accompanied by 80,000 dependants all of whom are housed, educated and provided with medical care. The whole exercise costs Britain around £800 m. in foreign exchange annually. Yet for all this the total of British forces stationed in West Germany in peacetime and those in the

[6] See *RUSI, Journal of the Royal United Services Institute for Defence Studies*, September 1982, pp. 10–15.

United Kingdom earmarked for Central Front reinforcement in war represents only 10 per cent of all Nato forces allocated to the defence of the Central Front. But their cost is very much more than 10 per cent of the British defence budget.

There is now a growing awareness in Britain that the 'broad thrust' (a favourite ministerial phrase) of the 1981 Defence Review is pointing in the wrong direction, that its long-term consequences for the armed forces were insufficiently examined, and that it will not create the most appropriate and effective contribution from Britain to the future needs of the Alliance. But those who press for a revision of this review are aware that British defence policy is only a part, although a very important part, of the wider question of how Western strategic policy shall be developed to meet the challenges of an unstable world, how the military means needed to implement this policy shall be organized and financed in an age of increasing threats and decreasing real resources, and what part Nato shall play in the future. These are questions requiring examination at the highest political levels of the Alliance. But how and where is such an examination to start? A British initiative would indeed be timely.

# Multiple approaches to arms control and disarmament

SIR CLIVE ROSE

THE terms 'disarmament' and 'arms control' are invariably twinned. They represent two completely different approaches to the question: What to do about armaments.

'Disarmament' is a radical concept. Its logical starting point is that the existence of armaments implies—or creates—the risk of their being used. The more armaments, the greater the risk. So peace can be assured only through the elimination, or virtual elimination, of armaments. Hence the United Nations objective of 'general and complete disarmament'.

But no one can regard this as an attainable goal in present circumstances, because it presupposes a degree of international trust and universally accepted authority which are not within sight. So, in the real world it must remain little more than a splendid aspiration.

The approach from the other end of the spectrum—'arms control'—is much less ambitious. Its starting point is that, in an imperfect world, we cannot get rid of armaments. So the best we can do is to reduce the likelihood of their being used. It aims to do this by mutual restraints on armaments, their production, deployment and numbers. In United Nations parlance, this is called 'ending the arms race', an attainable short-term objective on the way to the ultimate goal.

## The United Nations

Any review of the multiple approaches to these two uneasy bedfellows must start with the United Nations. This is not because its members harbour the illusion that it is the place where decisions about war and peace are made, but because the Charter charges the organization with responsibility for disarmament and because it is the only forum in which all members of the World Community meet together. But, like it or not, the United Nations has had to learn to live with the reality that the key to progress rests with the two super-powers. For much of its life there has been little it could do but exhort and admonish. And it has often appeared as though this was in fact all many of its members *wanted* to do.

So the first Special Session on Disarmament in 1978 was something of a landmark. It was the result of an initiative by non-aligned countries which were determined to re-establish the United Nations role. It was far too large a gathering to operate as a negotiating body. But this was not the intention. The purpose was

Sir Clive Rose was Head of the British Delegation to the Negotiations on Mutual Reduction of Forces and Armaments and Associated Measures in Central Europe, 1973–6. He was in Cabinet Office from 1976–9 and served as UK Permanent Representative on the North Atlantic Council from 1979 until his retirement from HM Diplomatic Service earlier this year. This article is based on a recent talk at Chatham House.

to work out a disarmament strategy. No one expected this to be easy, and it wa: not. But the session did succeed in adopting by consensus a Final Documen which was the most comprehensive statement on the subject ever produced by th( United Nations. By any standards, this was a remarkable achievement by a con· ference of 150 members. The most important concrete step was the formation o: the new 40-member Committee on Disarmament, in which for the first time al five nuclear-weapon states were included. To this Committee was assigned th( task of producing a programme of action for approval by the Second Specia Session—held last summer.

This proved a disappointment. There was no consensus on a single programm( to translate the principles of the Final Document into action. Almost the onl) thing the three drafts presented to the Session had in common was their ritua! acknowledgement of the ultimate objective of General and Complete Disarma· ment. Otherwise, they reflected the very different approaches of their authors. The Western draft—which the UK co-sponsored—gave priority to bringing al! negotiations on the current international agenda to successful conclusion and tc reinforcing the controls established under existing agreements. This was a typicall) pragmatic approach. The non-aligned draft called for a legally binding commit· ment to a programme of straight percentage reductions in the armaments of al! countries, to be completed within a rigid timescale fixed in advance—a somewha1 unrealistic approach. The Eastern draft, co-sponsored by the Soviet Union, con· tained a lengthy catalogue of rather imprecise measures, mostly of a declarator) nature. This approach was heavily coloured by propaganda. The Committee or Disarmament was told to try again and report in 1983.

This result was hardly surprising. The prospects for a compromise with any teett in it are remote, but we need not view this with much dismay. The guidelines agreed in 1978, a useful consensus, remain intact. And in the absence of any alternative. the pragmatic approach to negotiations advocated in the Western draft will—perforce—prevail.

**US–Soviet negotiations**

Inevitably, it is negotiations between the Russians and Americans which domi· nate the scene, and this means primarily negotiations about nuclear weapons. Th( first success was the Partial Test Ban Treaty of 1963, now sometimes unfairl) described as the 'Clean Air Treaty'. It did nothing to stop testing by the super· powers, which in future took place underground. But it *was* a major political breakthrough and established their mutual interest in preventing the spread oi nuclear weapons which has continued, through the Non-Proliferation Treaty oi 1968, to the present day. The next breakthrough was the opening of the strategic arms limitation talks (SALT) in November 1969—by which time the Russian: had achieved what both sides recognized as 'parity' and come to share, at leas1 temporarily, the American objective of 'strategic stability'. But the years ir between were crowded with missed opportunities. The ABM versus MIRV con· troversy was the source of most.

If only the Russians had understood American concern about the destabilizing

effect of anti-ballistic missiles (ABMs), and if only the Americans had been able to foresee all the implications of deploying multiple independently targeted re-entry vehicles (MIRVs), it is possible that we might have been spared a particularly vicious turn in the action–reaction spiral. In practice the last chance of a MIRV ban without the need for on-site inspection was missed when the opening of the strategic arms limitation talks was postponed owing to the Soviet intervention in Czechoslovakia in 1968. By the time the Americans put forward a rather perfunctory proposal for a MIRV ban in 1970, it was already too late. They had tested and begun to deploy MIRVs, on-site inspection was needed to ensure compliance and, predictably, the Russians rejected the proposal. The 1972 SALT agreements were a major step forward. But the asymmetries the Americans accepted in the Offensive Missile Agreement were partly based on the assumption that the Russians could not develop MIRVs for another five years or more. In the event, it took them just over a year.

### SALT II

Further 'missed opportunities' were mainly responsible for the delay of seven years before the SALT II Treaty was signed. SALT II provided a comprehensive framework of quantitative ceilings covering the whole range of strategic systems and—something which for long eluded the SALT negotiators—a basis for qualitative limitations. It was criticized in the United States for not providing for substantial reductions, and for not solving the problems of American defence planning, something it was never intended to do. No agreement involving compromise can ever be 100 per cent satisfactory. But the suggestion that it was 'fatally flawed' is unconvincing. Its non-ratification was a disaster. Heavy blame must be attributed to Russian action. But it remains nevertheless an unfortunate failure on the part of the previous US Administrations and to some extent by the present one. It dismayed America's European Allies; it contributed largely to the failure of the Nuclear Non-Proliferation Treaty (NPT) Review Conference in 1980; and it strengthened support for the unilateralists and the Peace Movement in Europe. The current American thesis that both sides are observing SALT II is difficult to follow: in a technical sense it may be true, but the fact is that the Russians in 1981 had an aggregate of over 2,500 strategic missiles and bombers, some 300 more than would have been permitted by the SALT II Treaty. The evident reluctance of the Reagan Administration to revive the SALT process exacerbated the problems. Within the United States itself, the movement in favour of a 'nuclear freeze' gained respectable support and, while it was narrowly defeated in Congress, no Administration could fail to read the public mood it reflects. One can only speculate on the extent to which all these factors affected the US Administration's proposals for Strategic Arms Reduction Talks (START) or their timing. But a marked change in the American style has been apparent this year.

### START

The American proposals, made in May, went much further than anything put to the Russians before. The emphasis is on deep cuts in nuclear weapons. In a first

phase, each side would reduce the total number of its warheads on strategic missiles by one-third, leaving each with about 5,000 warheads on missiles. No more than half this number would be carried by land-based missiles. A common ceiling of 850 missiles, land and sea-based, would be fixed. This will involve radical reductions, and on this account it is welcome. It represents about half the current American total and about a third of the Soviet total. But it is not yet clear how it is to be verified. The Russians have strongly criticized the American proposals. This is not surprising. Three-quarters of Soviet warheads are on intercontinental-range ballistic missiles (ICBMs), compared with one-quarter for the Americans, and only 20 per cent in submarines compared with the Americans' 50 per cent. The Russians claim that the proposals are heavily weighted in the American favour and that the major change demanded in their force structure would be destabilizing. They reject the American argument—a revival of one heard in the 1960s—that stability would be increased if they were to maintain a greater proportion of their strategic weapons in submarines, in other words, to structure their forces according to the American pattern.

Their counter-proposal calls for equal ceilings of 1,800 long-range missiles and bombers, and the retention of positive elements of the SALT II agreement—presumably those relating to qualitative restraints. It represents a reduction of nearly 30 per cent in the current Soviet aggregate and 10 per cent for the Americans. And the ceiling proposed is the bottom end of the bracket in President Carter's 'comprehensive proposal' of 1977, which the Russians at the time summarily rejected. But world opinion has outstripped the Russians. Their proposal falls far short of the American 'deep cuts'—and of what is expected and needed today.

The opening positions are a long way apart, and it remains to be seen what is 'negotiable' as opposed to 'desirable'. One can impute all kinds of motives to the Russians; the facts of their build-up over the past 10 years are not in doubt. But there is a sense in which both sides are working towards a common objective. Both claim to be seeking 'strategic stability' based on 'parity'—even if they define the terms differently. And, thanks to the meticulous work done in SALT II, the technical parameters of the problem are reasonably clearly understood and represent an area of common ground.

### INF

This is not the case with the separate negotiations on Intermediate-Range Nuclear Forces (INF) which started in Geneva last November. The Nato proposal for these negotiations was an essential condition for consensus on the 'double track' decision of December 1979. Without it, agreement would not have been reached on modernizing Nato's Long-Range Theatre Nuclear Forces—a decision which in the end became as important for the Alliance from a political as from a military point of view. But there is not, and never has been, any objective in common between the Americans and Russians. The Russians' aim from the start has been to get the plans for deploying the new missiles cancelled, so as to preserve their superiority in the European theatre—which has increased week by week since

they first claimed the existence of a 'balance' in 1979. When they realized they could not achieve this by rejecting the arms control proposal, they switched tactics in the hope of achieving it in the negotiations. All aspects of their approach—moratorium, freeze, nuclear-free zone—have been designed to secure their aim. The price the Russians would have to pay was set out by President Reagan last November: he offered to cancel the Nato plans if the Russians would dismantle all their intermediate-range ballistic missiles, SS-20s, SS-4s and SS-5s—the so-called 'zero-option'.

The Americans are in effect having to negotiate with one hand tied behind their backs: their bargaining counter for securing reduction of Soviet forces already deployed in large numbers is the offer of reciprocal limitations on Nato forces not yet in production. And they are constantly having to react to 'own goals' kicked by their allies. Unless they are confident, and can convince the Russians, that deployment will go ahead as planned, they will have little chance of succeeding. And, paradoxically, if they should not succeed, it may be more difficult for the Europeans to continue to support the major reductions envisaged in the American proposals for strategic weapons. Hence the importance, which was recognized by Nato in 1979, of the INF negotiations taking place 'within the framework of SALT'—now renamed START.

Both these negotiations have far to go and it would be foolhardy to forecast the outcome. But three points should be emphasized: first, it is in both the American and the European interest that the link between the two negotiations should be firmly maintained; second, the two parts of the 'double-track' decision are inseparable: neither can succeed without the other; third, and most important, unilateral disarmament by the West would reduce any incentive for Russians to agree to limitations.

### Other bilateral business

At least on these two central issues, US–Soviet negotiations are in play. The picture on other bilateral issues is less satisfactory. Negotiations for a Comprehensive Test Ban—in which the United Kingdom also participated—and on Chemical Weapons, both re-started in 1977 after a long gap, have been in suspense since 1980. Verification has proved a stumbling block in both cases. Both have been remitted to the United Nation's Committee on Disarmament—and it is possible that this Committee may be able to play a useful role. It looks as though they may be making some progress on a draft Chemical Weapons Convention. But a Test Ban—which is much more important because of the restraints it would or should impose on vertical proliferation—is likely to prove more intractable, being dependent not only on resolution of the verification problem but also on progress in START. At best the efforts of the Committee on Disarmament may help to break the deadlock. At least they will result in a better understanding by the non-aligned members of the technical and political obstacles. But in the end, the Committee will be up against the problem that, without agreement between the United States and the Soviet Union, there is no chance whatever of substantive progress.

## MBFR

No one today disputes the priority given to nuclear arms control. But Nato governments have always insisted that conventional arms control must be pursued in parallel. The 130-odd wars since 1945 have all been fought with conventional, not nuclear, weapons. The general application of this principle has, however, been thwarted by Soviet and non-aligned opposition to any idea of limiting conventional arms transfers. So, in practice, it has applied only to Central Europe, where Nato faces a vast Eastern superiority in conventional forces—and the possibility, if deterrence were to fail, of being faced with an early decision to use nuclear weapons. It took five years—1968 to 1973—for the Russians to accept the Nato invitation to discuss Mutual and Balanced Force Reductions (MBFR). This 'mousetrap' of a negotiation is now entering its tenth year in Vienna. A major difference appeared from the beginning. Nato's purpose was to remove the imbalance, which will require asymmetrical reductions to a common ceiling. The Warsaw Pact insisted on equal reductions from what they claimed was an already existing balance. Progress has been frustratingly slow. But at least agreement has been reached on the level of the eventual common ceiling—900,000 men on each side, including no more than 700,000 soldiers. The main difficulty has been to agree on the starting point: Western intelligence shows an Eastern superiority of about 150,000; while the Warsaw Pact continue to claim virtual parity. So far, the East have refused to provide detailed enough figures to enable the discrepancies to be identified. The second problem concerns verification. For the West, to be able to check that an agreement is being carried out is essential. But the Warsaw Pact has been unwilling to negotiate the 'associated measures' Nato has proposed for this purpose. Nato has recently taken a new initiative by tabling a complete draft Treaty, in which all major points raised by the East have been met. But progress will depend on Eastern—effectively Soviet—readiness to move on data and 'associated measures'. No one will claim that an MBFR agreement could solve all the problems of East-West security; for one thing, it is concerned with only a limited area in Central Europe. But it would help to reduce tension and improve stability in a particularly sensitive area of confrontation. To a limited extent the mere continuation of the negotiations does this.

## Confidence-Building Measures

Despite the apparent similarity to 'associated measures', the Confidence-Building Measures (CBM) being discussed at the Madrid Conference on European security are a different animal. The CBMs agreed at Helsinki in 1975 were largely declaratory and did little to improve confidence. At Madrid, the Russians wanted more of the same. But the Nato countries have proposed measures which would have more military bite, would be binding on all the 35 participants and would apply to the whole of Europe—from the Atlantic to the Urals. So far, this has proved too strong meat for the Russians and their allies.

It will be taken up again when the Madrid Conference resumes next month. It will require a change of attitude on the Soviet part if agreement is to be reached. One must hope this will be forthcoming. If measures of this kind could be agreed

by the 35 countries taking part, this would be a great political achievement, which would also bring important military benefits. But they cannot be a substitute for the type of measure required to ensure compliance with an MBFR treaty.

**Conclusions**

In conclusion, four general comments. First, a word about linkage. Sometimes Americans, in the Administration and in Congress, have seemed to take the view that arms control is a favour to the Soviet Union, to be granted as a reward for good behaviour or withheld as a sanction. This view is difficult to understand. However far apart the two sides may be before negotiations start, agreements will only be concluded if each side sees them as contributing to its security—and regards the advantages it gains as being commensurate with the concessions it has had to make. The Western interest in placing restrictions on the apparently compulsive Soviet efforts to achieve some form of strategic superiority is as strong as any Soviet incentive to reach agreement. Of course, it is unrealistic to expect that negotiations about strategic relations can be wholly insulated from the state of US–Soviet political relations, as some Europeans seem to suggest. The last four years have shown how sensitive is the balance between the two. The Russians bear heavy responsibility for upsetting this balance at crucial moments, for example, in 1968 and 1979. The current negotiations will be difficult enough in themselves, but they will have little chance without some change in attitudes. This means that the Russians will need to show greater willingness to recognize genuine American security concerns and the effect their political activities can have on the climate for negotiations and, perhaps more important, for ratification of the results of the negotiations. But the corollary is that the Americans should sustain—and be seen to sustain—the commitment to arms control as a constant element in their security policy (which President Reagan accepted in May), and ensure that it is as far as possible unaffected by the changeable winds of détente—and, though this may be dismissed as wishful thinking, undisturbed by the upheavals which result from the four-year electoral cycle. This ideal may be unrealizable. But without some degree of convergence on these lines, one cannot feel optimistic about the prospects for early progress.

Second, the problem of verification. More than any other aspect, this brings out the difference between East and West. For the West, it is an essential element in any arms control agreement. The absence of political trust, and the asymmetry between the closed societies in the East and the open societies in the West, mean that we have to rely on technical means of verification and inspection to provide confidence that the Russians are carrying out their undertakings. The key problem is the Soviet refusal to accept any form of 'on-site' inspection, which they still describe as 'espionage'. All agreements so far concluded have been ones for which national means of verification have been deemed adequate—or for which no special verification measures have been thought necessary; the SALT I Treaty, the Partial Test Ban Treaty, the Outer Space Treaty and so on. But if progress is to be made towards a comprehensive Test Ban, MBFR and probably also in the START and INF negotiations, more intrusive methods will be needed. There has

been a hint of movement in recent Soviet proposals on chemical weapons, though this remains unsubstantiated. This Soviet attitude is a major obstacle. Unless it changes, the future prospects do not look bright.

Third, the possibilities for pre-emptive agreements. This has always been a fruitful field for arms control—placing restrictions on deployments, weapons or activities before they are exploited. The Sea-bed Treaty, the Biological Weapons Convention and the Environmental Modification Treaty are examples. The proposed convention banning Radiological weapons—being discussed in the Committee on Disarmament on the basis of a Soviet and American agreed draft—is another promising attempt to block off a future line of development. These efforts have been mainly confined to what were peripheral areas—perhaps because they have been caught in time. But there ought to be scope for similar efforts in areas more central to the 'arms race'. The 1972 ABM Treaty was an outstanding example. The risk is that the pace of technological advance may outstrip progress in arms control. Without any technical expertise, it is difficult for the present writer to judge whether such sensitive areas as Anti-Submarine warfare, Ballistic Missile Defence and Anti-Satellite warfare are suitable or feasible. But what is certain is the importance of doing everything possible to avoid a repetition of the 'missed opportunities' of the 1960s and 1970s.

Finally, the record and the future. In the past 35 years, 13 arms control agreements have been concluded and entered into force; two or three more, though not ratified, are being observed by their signatories; and there are anything up to seven sets of negotiations—depending how you calculate—currently in train; plus any number of related activities and studies. Compared with the period between the two World Wars, this is no mean achievement. Of course, statistics of this kind are not likely to convince the sceptics of either persuasion—the enthusiastic disarmers who are frustrated and impatient, or the critics who regard attempts to curb the 'arms race' as a lost cause. The really concrete achievement is the fact that there has been no world war for 37 years, nearly twice the gap between World Wars I and II. However, this is not due to disarmament, multilateral or unilateral, but to nuclear deterrence—or, to use a well-worn but still apt expression, to the 'balance of terror'. Short of a major change in the state of East–West political relations, the best we can hope for is to maintain this balance at a lower level of armaments. There are no short cuts, and no workable alternative to patient—and increasingly technical and complex—arms control negotiations. They are often thankless and seldom glamorous for those involved in them. But we are talking about security based on the management of military power, which is within our grasp, rather than a dubious and precarious peace resulting from its abolition, which is not. For the foreseeable future, this is the only realistic goal. On the other hand, it would be wrong to separate the twins, in our thinking or our rhetoric. We need to keep disarmament in our vision. For, as Robert Browning once said: 'a man's reach should exceed his grasp, or what's a heaven for?' Only by remembering this, will those who are striving to achieve the possible have a hope of retaining the support of the growing number of people in all our countries who are demanding the ideal—for delivery tomorrow.

# The US Caribbean Basin Initiative

RAMESH RAMSARAN

In a speech to the Organization of American States (OAS) on 24 February 1982, President Ronald Reagan of the United States outlined a programme of special assistance to the countries of the Caribbean and Central America. For some time previous to this, discussions had been held by the United States, Canada, Mexico and Venezuela on the scope and nature of an aid package to the region. The decision by the US to embark on its own programme undoubtedly reflected an inability on the part of the four countries to agree on a common scheme, or on the conditions that should be attached to any programme of assistance. Canada, for its part, has long been renowned for providing aid without controversial 'strings'. Mexico, too, had made it clear that it was opposed to certain conditions which the US was trying to include in the aid package. For instance, President López Portillo of Mexico was adamant in his view that certain countries (e.g. Cuba, Nicaragua, Grenada) should not be excluded from any aid programme on the basis of their political ideology or economic policies. Nor did he feel that military aid should form part of any aid package. Venezuela, for its part, apparently felt it could get more political mileage by providing aid on a bilateral basis.

President Reagan's Caribbean Basin Initiative (CBI) proposals went to the US Congress in March 1982, but the financial part was not cleared until mid-August 1982, after some modification. The package as a whole survived several attempts to defeat it in both Houses. The aid component was included in a US$14·1 billion appropriations Bill, which the President vetoed on 28 August because Congress had tacked on some additional expenditures which would have increased his planned deficit for the year. The CBI thus got caught in domestic political wrangling unrelated to any particular foreign political issue. In mid-September, however, Congress overrode the President's veto, which for all practical purposes, means that the aid proposal is now law. The other aspects of the programme would require specific pieces of legislation for implementation after final approval.

## The CBI programme

The reaction to President Reagan's Caribbean Initiative has been varied. Before discussing these reactions, however, it might be useful at this point to outline the proposed aid package.

*The creation of a one-way free trade area*

This is perhaps the most important element of the package. It is proposed that exports (excluding textile and apparel products) should receive duty-free treatment in the US. Under existing arrangements, it is estimated that some 87 per cent

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of Caribbean Basin[1] exports already enter the US market duty-free. The argument put forward is that some of the duties that remain in place are in sectors of special interest to Basin countries. They also limit export expansion into many non-traditional products. It is also argued that the global reasons used for excluding certain products from the US Generalized System of Preferences (GSP) are not relevant to the Caribbean Basin. The complex structures of the GSP itself militates against the ability of small inexperienced countries to take advantage of the opportunities offered.

Sugar will receive duty-free treatment but only up to a certain limit.

For goods to qualify for duty-free entry they must have a minimum of 25 per cent local value added. Inputs from all Basin countries can be cumulated to meet the 25 per cent minimum.

Beneficiaries of the proposed Free Trade Area will be designated by the President. 'Communist' countries and countries which expropriate without compensation or which discriminate against US exports will not be eligible. The countries' attitude towards foreign investment and policies employed to promote their own development will also be taken into account.

*Tax incentives*

In order to encourage the flow of private capital to the area, the President proposes to ask Congress to provide 'significant tax incentives for investment in the Caribbean Basin'. He also indicated a readiness to negotiate bilateral investment treaties with interested Basin countries. The purpose of these treaties would be to provide 'an agreed legal framework for investment, by assuring certain minimum standards of treatment and by providing agreed means for resolving investment disputes.' Mention has also been made of the services provided by the Overseas Private Investment Corporation (OPIC) which currently offers political risk insurance for US investors abroad. This institution is in the process of expanding insurance coverage available to eligible US investors by working with private sector insurers to establish informal consortia to deal with projects on an individual basis.

*Financial and military assistance*

Non-military aid to Basin countries is currently channelled through three main programmes: (i) the Development Assistance Programme (DA) which is project oriented; (ii) the Economic Support Funds (ESF) which are more flexible and can provide direct balance of payments support as well as credit for crucial imports; (iii) food aid, provided through PL 480 programmes. For countries 'which are particularly hard hit economically' the President intends to provide additional funds in the fiscal years 1982 and 1983. It is proposed to increase the 1982 ESF current budget level from US$140 million to US$490 m. or by US$350 m. The proposed ESF figure for 1983 is US$326·0 m., while the DA figure has been given

[1] 'Caribbean Basin' is an arbitrary term used by the Reagan Administration to cover some two dozen countries in the northern tip of South America, Central America and the Caribbean. Taken together these countries have a population of about 39 million people and a GDP of US$45 billion.

as US$217·6 m. as compared to US$211·3 m. budgeted for 1982. Total economic assistance (including food aid under the 'Food for Peace' programme) proposed for 1983 is in the region of US$664 m.

It has been stressed that the ESF funds 'would be used primarily to finance private sector imports, thus strengthening the balance of payments of key countries of the Basin while facilitating increased domestic production and employment'. Institutions like the IMF and the World Bank are to be consulted on the reforms necessary to ensure that ESF assistance has the desired impact.

Military assistance is treated separately. In the 1981 fiscal year, the US provided military assistance of US$50·5 m. to the countries of the Caribbean and Central America. El Salvador received US$35·5 m. or 70·3 per cent of this total. The figure given for the fiscal year 1982 is US$112·1 m., of which El Salvador will receive US$81·0 m. or 72·3 per cent of the total. The supplemental appropriation of a further US$60·0 m. proposed by President Reagan for 1982 would have brought the figure to US$182·1 m.[2] The 1983 estimate is US$106·25 m.[3]

*Technical assistance and training*

The CBI offers 'technical assistance and training to assist the private sector in the Basin countries to benefit from the opportunities of this programme'. Efforts will be concentrated in investment promotion, export marketing, technology transfer, as well as programmes to facilitate adjustments to greater competition and production in agriculture and industry.

*International assistance*

Under the CBI, President Reagan pledges 'to work closely' with Mexico, Canada and Venezuela, 'to encourage stronger international efforts to co-ordinate our own development measures with their vital contribution and with those of other potential donors like Colombia'. Such a co-ordinated approach, it is argued, will multiply the impact of each individual effort.

*Puerto Rico and the US Virgin Islands*

With respect to Puerto Rico and the US Virgin Islands, President Reagan assured that special measures would be adopted to ensure that these countries benefit and prosper from the programme. Among the measures proposed are: (a) excise taxes on imported rum will be rebated to these two countries; (b) inputs into Caribbean Basin production from the possessions will be considered domestic under the rules of origin; (c) their industries will have access to the same safeguard provisions as mainland industries; (d) a Tropical Agricultural Research Centre is to be established in Puerto Rico; (e) an Eastern Caribbean Centre for Educational, Technical and Scientific Interchange is to be set up at the College of the Virgin Islands; (f) Puerto Rican and Virgin Islands facilities, personnel and firms are to

[2] In a compromise move between the US House of Representatives (which baulked at the additional military aid to El Salvador) and the Senate, the additional appropriation was rejected during congressional discussions.

[3] For the figures on financial and military assistance, see State Department, Special Report No. 97, *Background on the Caribbean Basin Initiative*, March 1982.

be used in technical assistance programmes and development projects; (g) special assistance aimed at making Puerto Rico and the US Virgin Islands the transport hub of the Caribbean is to be provided.

In addition to these measures, interest has been expressed in helping Basin countries to modernize their agricultural and animal-producing sectors. There is also an expressed desire to have the private sector play a greater role in the development effort of Basin countries. 'The US Government will be working with Caribbean Basin governments to design private sector development strategies which combine private, public and voluntary organisation resources in imaginative new programmes. We will also explore ways to promote assistance to comply with US health and sanitary regulations; to improve transportation links; and in general to remove public and private national and regional impediments to private sector development, with emphasis on new investment.'

### Reaction to and implications of the CBI

As indicated earlier, the programme announced has received a mixed reaction in the region. The reason for this can be found as much in its context and timing as in its content. The Caribbean Basin as defined by the US President consists of some two dozen countries in the Caribbean, Central America and the northern tip of South America. Until now these countries were treated as part of the larger Latin American bloc. The decision to regard the Caribbean and Central America as a sub-region with special problems requiring special attention is a new approach which undoubtedly stems from recent developments in the area. The emergence of the Socialist-posturing government of Michael Manley in Jamaica during the period 1972–80, the forcible removal in Grenada of the Eric Gairy government by the left-leaning Bishop regime in 1979, the violent overthrow of the right-wing dictatorship of Anastasio Somoza in Nicaragua, also in 1979, and the continuing political instability in El Salvador and other Central American states, were undoubtedly major factors in the decision to formulate the CBI. The factors are perceived to be linked to the deteriorating economic conditions in the region. It is reasoned that if these conditions are improved, countries of the area would become more stable and this would make them less vulnerable 'to the enemies of freedom, national independence and peaceful development'. The programme, however, is not only aimed at improving economic conditions. 'The thrust of our aid is to help our neighbours realize freedom, justice and economic progress.' How these other objectives are to be attained is not quite clear. One strategy is to withhold aid in order to enforce the adoption of particular political and economic policies. The carrot and stick approach is quite explicit in the President's statement. Countries which pursue policies acceptable to the United States (e.g. Jamaica under Edward Seaga) would be rewarded, and those (e.g. Cuba, Grenada, Nicaragua) which embrace views and programmes which do not accord with American perceptions would be denied assistance. The question of exclusion is handled in a very subtle way. The position is taken that the US does not explicitly exclude anyone from the CBI. Countries exclude themselves by reason of the stance they adopt *vis-à-vis* United States values. 'We seek to exclude no one. Some,

however, have turned from their American neighbours and their heritage. Let them return to the traditions and common values of this hemisphere and we will welcome them. The choice is theirs.'

The content of the programme itself has drawn a mixed response. Many of the politicians in the area welcomed the additional aid, though some of them (particularly in the Eastern Caribbean) expected the financial part to be more substantial. They could not hope to attract foreign investors, they argue, without improving their basic infrastructure. The business groups tend to see the opening up of the US market as an opportunity for the expansion in trade. The academics, on the other hand, have expressed grave reservations about the possible impact on the integration movement in the Caribbean and on development strategies in general. They also feel that the independence of the Caribbean states would be compromised. It would be instructive at this point to go into a little more detail into the thinking behind these various positions.

In recent years, the Caribbean Basin states (particularly the non-oil producing countries) have been experiencing serious economic difficulties. Real economic growth in many instances has been close to zero and in some cases even negative. Foreign-exchange earnings have been declining. Inflation and unemployment have taken on significant proportions. Such problems, of course, tend to generate social discontent and their persistence has led to a questioning of basic development strategies. In such circumstances, even existing political arrangements have come under attack. A major purpose of the financial assistance provided under the CBI, it is indicated, is to assist countries 'which are particularly hard hit economically'. The division of the supplemental financial assistance proposed for the 1982 fiscal year, however, does not seem to accord with this objective. Of the US$350 m. supplemental aid proposed under the ESF programme for the 1982 fiscal year, El Salvador is slated to receive US$128 m. (36·6 per cent), Jamaica US$50 m. (14·3 per cent), the Eastern Caribbean US$10 m. (2·8 per cent), Belize US$10 m. (2·8 per cent), Dominican Republic US$40 m. (11·4 per cent), Costa Rica US$70 m. (20·0 per cent), Honduras US$35 m. (10·0 per cent), Haiti US$5 m. (1·4 per cent), and the American Institute for Labour Development US$2 m. (0·6 per cent). Political considerations seem to weigh heavily in this allocation.[4] The Eastern Caribbean islands which are in serious economic difficulties and which need to develop their infrastructures in order to increase production, get less than 3 per cent of the total as compared to over 14 per cent for Jamaica (where it is hoped that the advantages of a market-oriented private enterprise economy will be demonstrated), and almost 67 per cent for three Central American countries.

As far as military assistance is concerned, the total budgeted for 1982 amounts to about 20 per cent[5] of all aid proposed for this year. (This does not include the additional US$60 m. in military aid that was proposed by President Reagan for El Salvador.) The President has stated that this expenditure is needed to meet 'the

[4] In order to get a more balanced allocation, the US Senate Foreign Relations Committee had suggested a ceiling of US$75 m. for any one country. This was rejected by the full Senate.

[5] Compared to an actual of 10·7 per cent in 1987.

growing threat of Cuban and Soviet subversion in the Caribbean Basin'. There are many, of course, who would argue that the political instability in the region is more rooted in domestic political and economic conditions than in outside interference, and the situation is more likely to improve if these conditions are addressed directly. Failure to do this is likely to lead to annual escalations in military expenditure.

With respect to the trading arrangements, one view holds that the effect is likely to be more psychological than anything else, since 87 per cent of Basin goods already enter the US market duty-free. Another view is that the non-tariff barriers would remain a serious impediment to an expansion of exports to the US market. A third position is that the duty-free market is meaningful only if one has the production capacity. The Eastern Caribbean states, for example, would need to develop their physical infrastructure before they can significantly expand their production. There may be some merit in each of these positions. Spokesmen for the Reagan Administration, however, tend to see the effects of the free-trade arrangements in both a short- and long-term perspective. The immediate effects, they argue, would be felt in the traditional commodities area (e.g. sugar, coffee, cocoa, vegetables, raw materials etc.). This argument, however, has to be seen against the fact that in recent years, earnings from most of these items have been declining, and not for lack of markets. In the medium and longer term, existing and new manufactured goods are likely to be affected. Again, it must be noted that many of the countries have not been able to satisfy the origin rule for manufactured goods to take advantage of the opportunities offered under various GSP Schemes and under the Lomé Convention in which several Basin countries are participants. The point is, the provision of markets may not be the crucial thing. Structural and technical problems exacerbated by irrelevant policies may be the more important factors facing an expansion of production and exports.

In the US itself, the free-trade idea has received strong opposition in certain quarters, despite the safeguard provisions of the plan, and despite the fact that imports that would be affected by the proposals currently account for less than one-half of one per cent of the US total imports. The 25 per cent local content requirement has been criticized as being too low. Some American producers feel that the Caribbean will be used as a conduit by foreign competitors to penetrate the US market. The AFL–CIO group is concerned about the impact on jobs as investors are attracted away by the proposed arrangements.

The CBI is cast in a particular framework which has given rise to a great deal of controversy. A certain basic model is assumed in which government intervention in the economic system is played down, and a free enterprise system involving an expanded role for the private sector[6] is pushed to the centre stage of the development strategies. When we add to this measures to attract foreign capital producing for a foreign market, we have virtually all the elements of the Puerto Rican model, which has so far failed to deliver the promised goods. The ideological bias in the programme is clear. The fact that to qualify for aid, domestic policies will have to

[6] As indicated earlier, most of the US$350 m. supplemental assistance for 1982 is intended to finance imports for private sector development.

pass the scrutiny of the US Administration raises the whole question of political and economic sovereignty—a very sensitive issue on which any advantages in the programme may eventually flounder.

In the context of Commonwealth Caribbean integration, it is feared in some quarters that bilateral assistance of the kind envisaged in the CBI could seriously interfere with the process. It is widely felt that the Caribbean Development Bank should be the appropriate institution for channelling aid aimed at regional development. The CBI shows no particular concern with integration objectives, but rather addresses itself to an ideological drift and the need for the US to reassert its hegemony in the political and economic circumstances of the early 1980s. In the absence of a common policy on foreign investment, member states of the Caribbean Community may find themselves offering a wide variety of arrangements that could make nonsense of the whole integration movement. The industrial programming effort now being made could also be affected if foreign investors (with the collaboration of individual governments) decide to pay no attention to the agreements reached.

**Concluding remarks**

The benefits offered by the CBI are conditional. In other words, there is a cost involved, and prospective beneficiaries would have to decide whether they are prepared to pay this cost. More fundamentally, they would have to decide whether the benefits offered are significant for their development objectives, and whether the conditions are compatible with the solution to their economic difficulties as they see them. The positive aspects would have to be weighed against the negative.

The basic strategy envisaged in the CBI is not new. It has been tried and found wanting. And this may explain why more and more countries of the region are turning to new approaches that often entail political and economic reorganization of a far-reaching nature. If the CBI is supposed to constitute a response to this situation, the US has failed to understand the mood of the region or to appreciate the link between its own foreign policy and poverty and oppression in the region. No lessons seem to have been learnt from past mistakes or from the experience of the Alliance for Progress whose benefits were largely confined to privileged groups unwilling to undertake the fundamental reforms necessary to deal with the question of widespread poverty. The concern with security continues to override all other considerations in a renewed cold-war atmosphere.

# The Inter-American Juridical Committee: an overview

A. A. CANÇADO TRINDADE

THE Inter-American Juridical Committee (CJI) is now completing its fortieth year of existence. It is thus a suitable occasion to survey its work in order to assess its contribution to the codification and progressive development of international law in the American continent. The Committee's antecedents go back to the decision of the First Meeting of Consultation of Ministers of External Relations (Panama, 1939), to establish an Inter-American Committee on Neutrality. Three years later, the Third Meeting of Consultation of Ministers of External Relations (Rio de Janeiro, 1942) decided, by its resolution XXVI, to transform the Inter-American Committee on Neutrality into the Inter-American Juridical Committee.[1] It is of interest to note that this organ, based in Rio de Janeiro, preceded both the Organization of American States (OAS) itself and the International Law Commission of the United Nations.

With the adoption of the OAS Charter in Bogotá in 1948, the CJI was incorporated into the OAS structure as a subsidiary organ of the then created Inter-American Council of Jurists. Two decades later, the Protocol of Reforms to the OAS Charter (Protocol of Buenos Aires of 1967, which entered into force in 1970), abolished the Inter-American Council of Jurists and established the Inter-American Juridical Committee as one of the main organs whereby the OAS accomplishes its aims.[2] The Committee, composed of 11 jurists (nationals of member states), elected by the OAS General Assembly for a four-year period and acting in their individual capacity, thus became the advisory body of the OAS on legal matters, entrusted with the codification and progressive development of international law in the American continent. In practice, the Committee has delivered numerous opinions, recommendations, studies and proposals and has prepared several draft conventions on a great many topics of public and private international law.

As recalled by the Secretary to the Committee in 1978, out of more than 100 of the Committee's studies in the field of international law (public and private) to date, many were accepted by the American states and are today enshrined in

[1] Comité Jurídico Interamericano (CJI), *Recomendaciones e Informes—Documentos Oficiales*, vol. XII (1978–1980), pp. 261–2.

[2] Article 51(d) of the amended OAS Charter.

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multilateral treaties which have entered into force.[3] Likewise, as a former member of the Committee once remarked, 'governments have always respected the autonomy of the Committee' and accepted the convenience of such an organ for the impartial analysis of the legal problems of American states: thus, in practice, the Committee has become the expression of the '*conciencia jurídica continental*'.[4] The attempt to assess the Committee's work to date in the pages that follow will focus on a selection of the Committee's drafts, which may help to portray its role in historical perspective, with particular reference to those which may be directly relevant to the study of the evolution of international relations and public international law in the American continent.

## Historical perspective

The drafts, opinions and studies of the Inter-American Juridical Committee are assembled in the 13-volume collection of its *Recomendaciones e Informes—Documentos Oficiales* (1942–1981). The first volume of that collection contains a significant recommendation of the Committee (September 1942) to the effect that one should harmonize in the future international organization (the United Nations) 'the principle of universality of membership with the existence of regional groups formed by natural bonds of solidarity and common interests'.[5] The Committee's words reflected the early manifestations of conscious regionalism, before the adoption of the UN and OAS Charters. The Latin American states, which, curiously enough, had not been invited for the Dumbarton Oaks discussions, sought to assert the regionalist thesis, fearing the powers which were to be conferred on the UN Security Council (particularly the veto power of its permanent members).

Thus, two years later, in its recommendations and comments on the Dumbarton Oaks proposals (December 1944), the CJI maintained that the fundamental features of the inter-American system, as 'the only regional system thus far developed',[6] should be preserved in the future UN Charter. As known, the Latin American delegations succeeded, at the San Francisco Conference in 1945, in enshrining in the UN Charter provisions on the right of self-defence and on the priority of peaceful settlement by regional means before resorting to the UN Security Council (Articles 51 and 52). Already at that time, however, the conscience of regionalism was much more *Latin* American than *inter*-American.

It is important to observe that the inter-American system developed historically by means of juridical instruments which were not necessarily always mandatory,

[3] Renato Ribeiro, 'Os Principais Trabalhos Realizados pela Comissão Jurídica Interamericana e Sua Contribuição para o Desenvolvimento do Direito Internacional', *Quinto Curso de Derecho Internacional Organizado por el Comité Jurídico Interamericano*, OAS doc. OEA/Ser. Q/V.C–5, CJI–38, 1978–1979, p. 281.

[4] J. J. Caicedo Castilla, *La Obra del Comité Jurídico Interamericano*, Rio de Janeiro, CJI, 1966, p. 13.

[5] CJI, *op. cit.*, vol. I (1942–1944), p. 48.

[6] *ibid.*, pp. 153–4. In the period which extended until the adoption of the OAS Charter (in 1948), the CJI, besides studying the inter-American system of peace, prepared a Declaration of Human Rights and an Inter-American Charter of Social Guarantees (in 1947); cf. CJI, *op. cit.*, vol. II (1945–1947), pp. 25–205.

but had rather varying content and legal effects; thus, given the persistent difficulty in the acceptance of some treaties (e.g., in the field of peaceful settlement of disputes), the insufficiency of ratifications and various reservations, resort was made to resolutions and declarations (formulating general principles, or even establishing permanent organs, such as the Meeting of Consultation of Ministers of External Relations).[7] In this respect, in an Opinion of 1950 the CJI conceded that resolutions, even though not binding, had influenced the policies of American states and the historical evolution of the regional system, besides contributing to the crystallization of principles of so-called American international law and paving the way for the conclusion of subsequent international agreements. At times, the Juridical Committee faced both alternatives—of binding or recommendatory instruments (treaties or resolutions); in 1965, for instance, it had suggested the adoption of a convention on recognition of governments, but the Rio de Janeiro Conference opted for the approval of a simple resolution on the matter.

Throughout the 1950s, the CJI prepared draft conventions on the topics of diplomatic asylum (1952 and 1958/9), extradition (1954 and 1959) and territorial sea (1952), this latter raised again in 1965. Some of the Committee's studies and opinions are symptomatic of the prevailing attitude of the states of the region towards certain chapters of international law. We could recall here, for example, the Committee's studies of the legal effect of reservations to multilateral treaties (1954 and 1960)[8] in connection with the so-called pan-American doctrine on reservations (partial acceptance of reservations without requiring unanimity), which found its way into the 1969 Vienna Convention on the Law of Treaties (Articles 19 to 23). Another example is afforded by the Committee's Opinion on 'The Contribution of the American Continent to the Principles of International Law Governing the Responsibility of the State', in which the Committee, reflecting the position of 16 Latin American states, *inter alia* expressly rejected the theory of *risk* as a basis of international responsibility (elaborated by some European authors) within the context of state responsibility *for injuries to aliens* as being harmful to the prosperity of the states, mainly those subjected to constant financial instability; the Opinion is very rich in illustrations of Latin American doctrine and practice[9] on issues such as equality of nationals and aliens, denial of justice, the Calvo clause, the norm of non-intervention.

The latter is one of the most deeply rooted principles in Latin American state practice. In 1959 the CJI prepared a draft instrument on the issue of non-intervention, and in 1965 saw fit to distinguish [state] intervention from so-called 'collective action' of the competent organs of international organizations (OAS, UN) to take measures foreseen for the maintenance of international peace and security. In February 1974, the Juridical Committee attempted to list cases of violations of the principle of non-intervention.[10] but the matter was left pending as it was

[7] See A. A. Cançado Trindade, 'O Impacto de Tratados e Resoluções nas Relações Internacionais na América Latina', 19 *Revista de Informação Legislativa do Senado Federal* (1982), no. 74, pp. 163, 178–80 and 182.

[8] Reproduced in vols. IV and VI of CJI, *op. cit.*

[9] *ibid.*, vol. VII (1959–1961), pp. 177–250. Cf. also vol. IX (1965–1966), pp. 47–57.

[10] *ibid.*, vol. XI (1974–1977), pp. 95–104.

deemed that 'the cases of intervention could not be the object of an adequate study whilst the current process of reform of the Charter is not concluded' and the 1975 Protocol of Reforms to the 1947 Inter-American Treaty of Reciprocal Assistance (the well-known Rio Treaty) has not come into force.[11]

There is an aspect of the matter worth registering here: consulted as to whether a domestic jurisdiction clause, similar to that in Article 2(7) of the UN Charter, should be inserted into the OAS Charter, the CJI replied (in September 1960) in the negative; after recalling the 'technical defects and ambiguities' of Article 2(7) of the UN Charter, the Committee indicated that, in the inter-American system, the reserved jurisdiction of states was already duly protected in the 'most appropriate' place, that is, the Inter-American Treaty of Peaceful Settlement, or Pact of Bogotá (Article 5).[12]

Among the new subjects considered by the Juridical Committee, throughout the 1960s, were the uses of international rivers and lakes (1962–3 and 1965), space law (1966), admission of new members into the OAS (1964), peaceful settlement of disputes (1966), the classical topic of the subjects of international law (1962) and a draft convention on refugees (1966). From the late 1960s onwards, the Committee began to devote more attention to private international law issues; for our purposes, however, it is worth referring to some of its opinions of a more general interest, such as those on the revision and up-dating of various international treaties and agreements (1969 and 1971), and on the strengthening of the inter-American system of peace (1971 and 1973).[13]

The law of the sea came again to the fore (Committee's resolutions of 1971, 1972 and 1973) and, in February 1974, the Juridical Committee delivered an Opinion on the regime of the international zone of the ocean floors, seeking to harmonize and co-ordinate the positions of the governments of OAS member states with a view to the third United Nations Conference on the Law of the Sea. The Juridical Committee has lately also worked on issues such as transnational enterprises (Resolution of 1974 and Opinion of 1976), terrorism (1970 draft Convention), extradition (draft Convention, 1973 and 1977, followed by the 1981 Inter-American Conference on Extradition), environmental law (Resolution of 1980); it has, furthermore, produced a draft Convention (February 1980) defining torture as an international crime, which is already being examined by the OAS General Assembly.[14]

## Powers conferred on the OAS

It is somewhat surprising to find that so far the crucial question of the interpre-

[11] F. V. García Amador (org.), *Sistema Interamericano, a través de Tratados, Convenciones y Otros Documentos*, vol. I, Secretaria General de la OEA, 1981, p. 105.

[12] A. A. Cançado Trindade, 'The Domestic Jurisdiction of States in the Practice of the United Nations and Regional Organizations', 25 *International and Comparative Law Quarterly* (1976), pp. 759–60 and 763–4.

[13] In October 1974, the Juridical Committee considered the question of the relations between the organs of the UN and those of the inter-American system with regard to the application of measures of coercion and peaceful settlement of international disputes. See the documents reproduced in CJI, *op. cit.*, vol. X.

[14] See Isidoro Zanotti, 'Report: Regional and International Activities', 13 *Lawyer of the Americas* (1981), n. 2, p. 239.

tation of the powers conferred on the OAS organs has not been sufficiently and satisfactorily dwelt upon by the analysts of the inter-American system. When, for the first time in 1950, the issue of the extent of the faculties of the OAS Council was referred to the CJI, the latter affirmed that in the OAS there was no delegation of sovereignty of the states of the continent, and that the inter-American system lacked 'executive organs" possessing only 'organs of co-operation'; in this line of reasoning, the Committee concluded that *no* OAS organ had tacit or implicit powers, and that OAS organs could only exercise the functions which had been *expressly* conferred upon them.[15]

It is pertinent to recall that this Opinion of the CJI was delivered in the year following the classical Advisory Opinion of the International Court of Justice in the *Reparation for Injuries* case (1949), in which the doctrine of *implied powers* (of UN organs) received judicial recognition and, from then onwards, was consistently invoked by the political organs of the United Nations; there was, thus, a clear gap or lack of parallelism between the process of interpretation of powers conferred upon the UN organs and upon the OAS organs.[16] The process, in the regional organization, encountered much more resistance.

But with a new CJI Opinion in 1960, the matter was to follow a distinct evolution in the OAS. The question was raised again by the North-American delegate, in a proposal which referred to 'implicit functions' of the OAS Council. This time, the Juridical Committee admitted that the OAS Council could interpret whether a given case, referred to it, would fall within its competence; the Committee took into account the *practice* itself of the OAS Council as an element for the interpretation of the powers conferred upon it. In a significant passage, the Committee pondered that, if, on the occasion of the 1950 Opinion (*supra*), the theme of the Council competence appeared intermingled with 'various political orientations,' such circumstance no longer existed, after one decade.

The issue is, however, by no means definitively settled. The question of the extent of powers of the OAS organs could still follow a course distinct from that inaugurated in the 1960s: the proceedings and reports of the Subcommittee of the General Committee of the Permanent Council of the OAS on the revision and coordination of the projects of reforms to the OAS Charter and the Pact of Bogotá (end of 1975) contain a proposal to restrict the powers of the Organization to those which are *expressly* conferred upon it, rejecting any extensive interpretation of its norms and thus limiting the power of intervention of the OAS itself.[17] In this connexion, it is interesting to point out, perhaps as a sign of the new times (with the diversification of international contacts of Latin American states and the decline of United States hegemony and influence in the region), that, during the recent crises in Nicaragua (1979) and El Salvador (1981), there was no OAS interventionism as in the 1960s (for example, in the Dominican Republic, 1965–1966).

[15] CJI, *op. cit.*, vol. III (1949–1953), pp. 188, 190–2, 196–7, 201, 208–9 and 215.
[16] A. A. Cançado Trindade, *op. cit. supra*, n. 10, p. 173.
[17] See OAS doc. OEA/Ser.G, CP/CG–628/75, in: Consejo Permanente de la OEA, *Acta de la Sesión Extraordinária Celebrada el 1° de Diciembre de 1975*, Secretaria General de la OEA, 1975, pp. 95–6.

In the past, the inter-American system helped to crystallize certain basic principles (such as that of non-intervention), to inhibit the use of force by states individually, to co-ordinate the joint positions of the Latin American states, and to render possible relations among states of ostensibly unequal power. In recent years, however, there has been a clear shift of emphasis within the OAS, from the traditional (United States) concern with hemispheric security to the regional and subregional (Latin American) schemes of economic integration and co-operation (ALADI, SELA, Andean Group, Plate Basin Treaty, Amazonic Co-operation Treaty). It remains to be seen whether the distinct aims of collective security and economic development can be reconciled in the present mechanisms of the regional system. But whichever path the system follows, it is likely that a very significant role will be reserved, as it has been in the past four decades, for the regional Juridical Committee, as the advisory body ultimately responsible for the codification and progressive development of international law in the American continent.

# The Giscardian opposition between fusion and fragmentation

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LATER this month,[1] the various components of the Giscardian federation, the *Union pour la Démocratie Française*, will assemble at Pontoise for their first Congress since the victory of François Mitterrand ejected Valéry Giscard d'Estaing from the Elysée and precipitated the parties of the former majority into opposition. The intervening months have witnessed a painful period of adjustment and reappraisal within the UDF.

The electoral débâcle of 1981 threw into question the whole future of the UDF. The defeat of Giscard left the federation leaderless—they became political 'orphans', disillusioned and disorientated. Gloom turned to despondency as the Gaullist leader, Jacques Chirac, whom many viewed as an accessory to Giscard's defeat, increasingly came to be seen as the de facto leader of the new Opposition. Within each of the constituent parties of the UDF[2] angry voices were raised. Many called for the disbanding of the federation entirely. The more sober analysts, pointing to harsh realities, urged that the federation should be maintained as an electoral cartel—a minimum 'insurance policy' for its members. The counsel of realism prevailed. New statutes were drawn up that emphasized a looser, 'confederal' structure. Thus, today the UDF stands uneasily between fusion and fragmentation: each party stressing its autonomy, yet remaining inside the confederation due to electoral necessity. At the same time, many UDF leaders still hope for the eventual fusion of the constituent formations.

The creation of the UDF, on the eve of the legislative elections of 1978, posed as many problems as it solved, and raised questions to which no answer was given in the next three years; these questions remain to be answered in opposition. Despite its electoral successes and the setting up of federal structures at both national and local levels, the UDF failed to develop further. Partisan loyalties were never overcome. The debate between those who advocated 'federation' and those wanting a gradual evolution towards 'fusion', forms a constant undercurrent, throughout the UDF's existence, breaking to the surface whenever a crisis or setback threatens. The UDF basked in the reflected glory of the Elysée and accepted its patronage. However, elements within the federation, notably the Centrists (CDS) and the Radicals, were uneasy in the role of *un parti du Président* with the constant unconditional support for President and government policy that this entailed.

[1] The Congress, originally scheduled for October, will now take place on 27/28 November.

[2] The groups forming the UDF are: *Centre des Démocrates Sociaux* (CDS); *Parti Radical*; *Parti Republicain*; *Clubs Perspectives et Réalités*; *Mouvement des Démocrates Sociaux* (MDS).

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The problems have become even more acute in Opposition. The parties of the UDF must set up new structures, more appropriate to their new role. They must also seek to clarify their relationship with both their former mentor, Valéry Giscard d'Estaing, and with their Opposition partners, the Gaullist RPR.

**The problem of organization**

The paradox of the Vth Republic is that it has greatly increased the importance of well-organized and disciplined political parties, whilst substantially limiting their functions. The principal tasks for a presidential party—or a coalition of parties hoping to constitute the *majorité*—are to provide an effective electoral machine and to give disciplined parliamentary support. The new constitutional order of the Vth Republic necessitates a new form of party organization. A national political machine had to be created to elect a President and to sustain him in office.

Such disciplined party activity has traditionally been alien to the formations that constitute the UDF. The Centrists, who are the direct descendants of the mass Christian Democratic party of the IVth Republic, the MRP, retain but a shadow of their former organization. They, like the two other principal formations of the UDF, the Republicans and the Radicals, are largely made up of well-entrenched local notables. They have been slow to develop a modern party machine and have tended to be dominated by their parliamentarians and national leaders. The views of the ordinary members are rarely heard; indeed, membership remains relatively low.

The UDF became heir to the dominant local positions of these moderate groupings. Even after the double defeat of 1981, the UDF remains the strongest single formation in the departmental general councils and the Senate. The 1982 cantonal elections served to confirm this local strength.[3] If the Radicals and CDS remain largely parties of local personalities, the Republicans have attempted to increase their membership and to create a modern mass party, albeit with only partial success. The Republican Party has recently adopted new statutes designed to enhance the role of the party activists and to increase internal democracy. Their new Secretary-General, François Léotard, has pointed to the party's organizational weakness, emphasizing that the Republicans must have their own political machine, comparable to that of the RPR. His remarks are relevant to the UDF as a whole.

In short, the UDF may be seen as a partial and not wholly successful attempt to adapt a number of parties from diverse traditions—yet all familiar with operating in a parliamentary environment—to the novel and unfamiliar dictates of a presidential regime.

Within the National Assembly, the UDF group has displayed organization and discipline, with little regard for the distinctive party labels of the constituent formations. This has greatly bolstered the credibility of the new federation. Even

[3] For a discussion of the significance of the 1982 cantonal elections, see Carroll Dorgan and Jonathan Marcus, 'The French cantonal elections: local skirmish or national test?', *The World Today*, May 1982.

after the defeat of 1981, the cohesion of the parliamentary group has been largely maintained. The surviving deputies, despite some initial hesitation on the part of the CDS, agreed to constitute a single UDF group. The Centrists only numbered 23 deputies, needing 30 to form their own group. They reluctantly joined the UDF group, but emphasized that they were no longer bound by the constraints of governmental solidarity. As if to underline their new mood of independence, 16 CDS and two Radical deputies refused to vote against the Mauroy government's Decentralization Bill, preferring to abstain. This incident remains the exception and, in general, voting discipline within the group has continued to be strong.

Despite the encouraging performance of the UDF parliamentary group and the Opposition's successes in legislative by-elections, and in the cantonal elections of last spring, many problems remain. The UDF has continued to solicit its own direct members, who are not first channelled through one of the constituent parties. In June of this year, the federation was claiming some 80,000 *adhérents directs*, and Michel Pinton, the UDF Secretary-General, was confidently predicting that this figure would be doubled in the near future.[4] The decision to recruit these direct members has always caused friction between the federation leadership and the headquarters of the individual parties, raising questions as to the true nature of the UDF. Was it to be merely a federation of autonomous parties, or rather, to become a political party in its own right?

Giscard's defeat and the collapse of the UDF in the legislative elections brought these fears into the open and prompted the party leaders to demand a redefinition of their relationship with the federation. The Radicals stated that they would not support any premature renewal of the UDF structures. Didier Bariani, the Radicals' leader, asserted that the UDF, set up in 1978 as a co-ordinating body, had progressively taken on the role of a political formation against the express wishes of its founders. As if to emphasize a longing for their former autonomy, Bariani spoke of the need to recreate the privileged links that had formerly existed between Centrists and Radicals. Many Centrists also looked back fondly to the past. Bernard Stasi spoke of the CDS having '*la nostalgie d'un grand parti*'[5]—it might not be unkind to suggest that both leaders' recollections of the past were highly selective! The Centrists urged that the UDF should change its image and reluctantly joined the UDF parliamentary group. Some members of the Republican Party were also unenthusiastic about the future role of the UDF. The Party's federation of the *Nord* saw the UDF as merely an electoral committee and called for its organizational structures to be disbanded. The party leadership also wanted a clarification of the roles of the federation and its constituent parties, though Jacques Blanc, the Republican Secretary-General, emphasized the need to continue to co-operate within the UDF.

A special commission was set up by the UDF to decide what structures were necessary to adapt the federation to its role in Opposition. The Commission worked throughout the summer of 1981 and presented its findings to the *conseil national* on 24 September. They envisaged a looser, 'confederal' structure. The

[4] Statement made by Michel Pinton in a letter to the writer.
[5] *Le Figaro*, 26 April 1982.

meeting took no firm decision on the report. There was some criticism of the text by the UDF President, Jean Lecanuet, and in general the parliamentarians and federal leaders had envisaged closer links than the individual parties were prepared to consider. On 8 October, the new statutes were adopted by the UDF's *bureau politique* and Lecanuet was re-elected President for a further two years, while Michel Pinton was elected to the newly created post of *Secrétaire Général*. Thus the UDF survived, though in a modified form. The more flexible structure seemed to satisfy the leaderships of the associated parties.[6] The Radical Party Congress in November 1981 and the CDS Congress in May 1982 both provided opportunities to debate publicly the future of the UDF. With the election of Didier Bariani and Pierre Méhaignerie, as Presidents of the Radicals and Centrists respectively, both formations clearly opted to remain within the UDF.

However, the advocates of 'fusion' had not yet given up. The speech of Jean-Claude Gaudin, at the UDF *Journées Parlementaires* in April, provoked widespread debate. His intention was to cast light upon what he termed '*les vastes zones d'ombre*', amongst which was the problem of unity within the UDF.[7] He claimed that, in the eyes of the electorate, the federation was not a heterogeneous conglomerate, for which fusion remained impossible. With such a united party a new start could be made. Centrists and Radicals were angered by this statement. For Bernard Stasi, it had been unanimously decided that the UDF was a federation of parties. Didier Bariani deplored the behaviour of those who kept returning to the subject of 'fusion', and both leaders agreed that discussion of this subject should be closed.[8]

## Giscard and the UDF

The review of federation structures undertaken during the summer of 1981 also implied a reappraisal of the relationship between the UDF and Valéry Giscard d'Estaing. Centrists and Radicals emphasized that Giscard was not their sole point of reference. The new UDF statutes made no reference to the former President or to his book, *Démocratie française*, from which the federation derived its name. Only the Republicans retained their faith in Giscard.

For a time, the former President kept a low profile. He confined his public interventions to brief statements on important issues, such as the devaluation of the franc and the military take-over in Poland. He set up his own political club and seemed far removed from the turmoil within the UDF. Yet, behind the scenes, Giscard was trying to influence the re-organization of the federation by attempting to place his associates into positions of authority. In October 1981, the Republican party's *bureau politique* was reinforced by the entry of a number of faithful supporters of the former President, and leaders of Giscard's presidential campaign joined the *bureau* of the *Clubs Perspectives et Réalités*. Roger Chinaud was unsuccessful in his bid to become the new *Secrétaire Général* of the UDF. The post

[6] Bariani expressed an attitude that must have been common to many. The UDF, he said, '*est destiné à donner une expression commune sur certains points limités concernant un type de société, mais sur de nombreux autres points, nous avons encore des divergences avec l'UDF*'. *Le Monde*, 7 November 1981.

[7] *ibid.*, 7 April 1982. [8] *ibid.*, 21 April 1982.

went instead to Michel Pinton despite Jacque Blanc's strong intervention on Chinaud's behalf. This angered the CDS and the Radicals, who saw behind Blanc's advocacy Giscard's machiavellian scheming.

The cantonal elections witnessed the return of Giscard to the political stage. He was elected as a general councillor on his home ground of Chamalières. In April, Giscard was invited by Lecanuet to participate in the meetings of the UDF *bureau politique*. Lecanuet's offer caused a certain amount of disquiet within the UDF—many feeling that Giscard's return would complicate the relationship with the *Rassemblement pour la République* (RPR) and hinder the continuing debate concerning the future evolution of the federation.

There is a growing division between, on the one hand, the 'orthodox Giscardians' of the Republican Party and the *Clubs Perspectives et Réalités*. and, on the other, between what might be termed the 'reluctant Giscardians' of the CDS and Radical Party. The former still identify with the ideas of Giscard d'Estaing and continue to regard him as *un homme présidentiable*. The Centrists and Radicals now see themselves as having little in common with Giscard, and think that it is far too early and potentially divisive to begin the debate on a future presidential candidate. They would prefer to keep Giscard at arm's length. In contrast, Giscard received a warm welcome from the Republican Party Congress, at which he read the closing address.

The acclamation which followed Giscard's speech was to have important repercussions. The *collège exécutif* of the CDS, meeting on 21 July this year, called for a clarification of the aims of the UDF Congress, planned for October. They voiced fears that this Congress might be used by Giscard as an opportunity to reassert his control over the federation. The Republicans strongly criticized the Centrists. However, on 24 August, the CDS requested that the Congress be postponed.[9] They refused to become involved in any operation designed to formulate a presidential strategy around the former incumbent of the Elysée. If the task of the Congress was to draw up a new political doctrine, then this could only be the product of a long period of consultation at the grass roots, for which there had been insufficient time. Thus Giscard's return has merely served to complicate the relations between the constituent parties of the UDF.

### The relationship with the RPR

During the 1981 presidential contest, the failure of Giscard to define a satisfactory relationship with the Gaullists, has been described as his 'greatest single strategic weakness'.[10] Chirac's candidature denied Giscard the support of the Gaullist activists, who had the only effective electoral machine in the Presidential coalition. With Giscard removed from the scene and the UDF in chaos, the initiative lay with the RPR. Chirac initiated a new study group, the 'Club 89', and it was the RPR that put down the first censure motion against the Mauroy government. The UDF could not afford to appear idle and, for the immediate future,

[9] For a discussion of the debate leading to the postponement and the eventual compromise that was reached, see *Le Figaro*, 10 September 1982.

[10] See Howard Machin and Vincent Wright, 'Why Mitterrand won: the French Presidential elections of April–May 1981', *West European Politics*, January 1982.

good relations with the RPR were essential. Those who perpetuated the quarrel with the RPR were censured. Chinaud's failure to obtain the post of UDF Secretary-General was partly due to his outspoken attack on Chirac, at a time when the Opposition was attempting to dress its wounds. Lecanuet wrote to Chirac, requesting a meeting to discuss the creation of some sort of structure to co-ordinate Opposition activity at parliamentary level, and also to prepare an accord for future electoral campaigns. Chirac welcomed this proposal and regular meetings between the UDF and RPR parliamentary leaders ensued. The Opposition's victories in the January 1982 by-elections encouraged co-operation for the cantonal elections in March. These traditionally local elections took on national significance, and the Right's victory demonstrated that concerted action and the sinking of old differences paid its rewards.

Another facet of Opposition activity has been the proliferation of political clubs. Whilst the UDF leadership, in general, has not welcomed this development, many clubs—such as the *CERCLE* and *Le Lien*—unite personalities from both the UDF and the RPR.[11] The formations of the Opposition have agreed to co-operate closely to prepare for the municipal elections of 1983. They are already committed to a single Opposition list for Marseilles, to be headed by the UDF member Jean-Claude Gaudin. Negotiations are under way to draw up similar lists throughout France. Both sides are eager to avoid antagonizing each other. In Paris, the UDF designated Jacques Dominati as its principal negotiator with the RPR, feeling that the selection of his rival for the position, Roger Chinaud, might offend Chirac. The UDF mood is best summarized by Pinton's statement that a balance between the formations of the Opposition is the condition for their mutual success. Lecanuet has emphasized that '*l'union avec le RPR est notre volonté et une nécessite*.'[12] As if to confirm that the 'quarrel of the chiefs' has been suspended, if not forgotten, Giscard recently telephoned the Mayor of Paris to offer Chirac his personal support against the reforms of the city's administration, proposed by the Socialist government. The Gaullist leader has been at pains to cast himself as merely one of the leaders of the new Opposition and has made no comment on the UDF's internal difficulties. Giscard's much heralded television appearance on 16 September was a surprisingly low-key affair, the former President steering well clear of any issues that might promote controversy within the Opposition camp.

### Between fusion and fragmentation

The creation of the UDF encouraged great hopes, few of which have been realized. The publicity and excitement that surrounded the launching of the federation, tended to obscure the fact that the UDF emerged as the response to a particular set of circumstances. In 1978, the various forces of the Centre and non-Gaullist Right found themselves threatened on two flanks by both the RPR and the Left. They had to combine to survive. Born as an electoral cartel, the UDF leadership aspired to the creation of a unified political force, but were unable to

[11] For the *CERCLE*, see *Le Monde*, 21 April 1982, and *Le Figaro*, 1 October 1982; for *Le Lien*, see *Le Monde*, 13 July 1982. For a more general discussion of political clubs, see Serge Bauman, 'Le renouveau des Clubs?', *Revue Politique et Parlementaire*, No. 898, May–June 1982.

[12] *Le Monde*, 6/7 June 1982.

overcome *le patriotisme du parti*. The Radicals, for example, recently attacked the prevalent media description of the UDF as a *union giscardo-centriste*. This, they claimed, mistakenly gave the impression that the federation was merely a formation of the moderate Right and overlooked the reformist contribution of the Radical Party.

The simmering debate on the federation's role and the position of Giscard d'Estaing, which led to the postponement of the UDF Congress, emphasizes the fragility of the federation. At the summer school for UDF parliamentarians, the political commentator, Alain Lancelot, gave a very critical speech on the state of the federation,[13] stressing that the UDF must define its message simply and clearly. It would not suffice to present a muddled liberal or reformist aspect. The federation must achieve a synthesis, whereby its values and ideals were ordered and presented in an unequivocal manner. Only in this way would the UDF be able to carve out its own electorate. At present, the UDF and RPR are fighting over the same political terrain. The electors of the UDF are diluted within the electorate of the Opposition as a whole.[14]

Lacking a distinctive electorate and its own electoral machine, good relations with the RPR are essential. The cantonal elections demonstrated that a united Opposition could win back voters, who had been disillusioned by the bitter infighting of the past. The Right will hope to repeat its success of March 1982 in next year's municipal elections, preparations for which will constitute the main business of the UDF Congress. Despite the more ridiculous criticisms of the Socialist government, such as that from Giscard's former Minister of the Interior, Michel Poniatowski, who called the government a 'collection of charlies' and the President a 'prima donna of the international airports',[15] there is serious concern at the Socialists' handling of the economy.[16] Thus the Right is hoping for a significant victory in 1983, comparable to the success of the Left in 1977, similarly heralding (it is hoped) a return to national office.

The UDF must also strive for a balance within the new Opposition. The RPR, who are not as well entrenched in local politics as the UDF, were the real victors of the cantonal elections. Chirac remains, in the public mind, the best leader of the Opposition. The UDF are compelled to co-operate with the RPR, but must try to contain the ambitions of the Gaullist leader. The Republicans are attempting to revitalize their organization and the UDF has launched its own recruitment drive. However, the question of *adhérents directs* continues to promote suspicion within the constituent formations of the federation. For the immediate future, the only effective electoral machine on the Right belongs to the Gaullists.

The UDF remains, in the words of René Monory, '*une merveilleuse stratégie électorale*'.[17] If the federation can become anything more substantial remains to

[13] *ibid.*, 21 September 1982.

[14] See Jérôme Jaffré, 'L'opinion publique et le giscardisme: Y a-t-il un electorat giscardien?', *Pouvoirs*, No. 9, 1979.

[15] *Le Monde*, 28 September 1982.

[16] An IFOP poll for *France-Soir* published on 24 September indicated that, for the first time, those unhappy with Mitterrand exceeded those who were happy. Unhappy with the President's record: 45 per cent; happy: 42 per cent.

[17] *Le Monde*, 31 August 1982.

be seen. To do so, it will have to formulate solutions to the problems identified in this article. It must be emphasized that the problems that confront the UDF today are not new—they have existed since its creation. They could perhaps be ignored whilst the federation basked in the limelight emanating from Giscard's residence in the Elysée—but it is much harder to ignore them in Opposition.

Giscard's design, heralding a renaissance of the French Centre, has proved illusory. If they are to succeed, the components of the UDF must fully accept the constraints of the presidential regime. They have made little progress in this endeavour since 1978. The formations of the UDF found themselves marooned amidst the waters of the Vth Republic. They needed a life-raft to survive and thus set about constructing the UDF. However, they could neither agree upon its design, nor upon its eventual destination. It is unlikely that the forthcoming Congress will provide any definitive answers to these questions.

# Corsica between ballot and bomb

P. SAVIGEAR

FRANCE and centralized administration have long been closely associated in the minds of students of government. Therefore the decentralization programme, proposed and set in motion by the government of M. Mauroy, is a new departure worthy of analysis. The French Socialist Party had been associated with such reform and with the extension of some kind of *autogestion* (self-rule) to the regions before the 1981 elections which brought President Mitterrand to power, and since then they have moved rapidly to implement the programme. The first laws to decentralize the departmental administration of France have been passed, and the whole operation is in the hands of an experienced member of the Socialist Party, M. Gaston Defferre. Although the changed structures are not yet in place, one part of metropolitan France, the Mediterranean island of Corsica, has been selected for individual treatment in advance of the other regions. The first important steps have already been taken in the implementation of a special statute—*statut particulier*—for Corsica, and on 8 August 1982, a new Assembly was elected and is currently working out its procedure.

It is still unclear how far the developments in Corsica are related to proposals for the other regions. Corsica would seem to serve as a pilot scheme for the rest of France, yet the law relating to the island suggests something different. The regional

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power in Corsica is to be more pronounced, *plus marqué*, than elsewhere, and certain administrative functions (*attributions* is the word employed) which will pass to the regional authority in Corsica will not necessarily do so in the rest of France. The island, administered as two departments, *Haute-Corse* and *Corse-du-Sud*, since 1975,[1] has retained a privileged position in the eyes of the government because of its insularity and other special circumstances including the political troubles and occasionally violent agitation of recent years. But it would be too facile to conclude that 'violence pays' and that the Special Statute for Corsica has been passed in response to the bombs and the demonstrations. The debate about the need for some special arrangement for Corsica is as old as French sovereignty itself. Some concessions have been made in the past, for example, the granting of advantageous fiscal measures, which date back to 1811 and today permit cheaper alcohol, tobacco and fuel to be bought in Corsica. Nevertheless, the considerable material damage and the deaths on the island (although personal injury has been very limited) have encouraged politicians to seek some special remedy for violence through constitutional and other changes in the position of Corsica.

The new Statute of 1982 makes provision for an elected Assembly for the region, and, in a second part presented and voted on separately from the first, sets out the competence of that regional body—in effect the new 'government' of the island—determining which powers will be transferred and which will remain in the hands of the officers of central government, residing in the former *préfectures* and *sous-préfectures*. The latter retain responsibility for policing and security, while defence, foreign policy and the currency predictably remain the responsibility of central government. In general terms, the regional authority will cover economic development and planning, urban and rural development, employment and, in the French term, *formation professionnelle*, cultural and educational matters—very important since Corsican is now accepted as a language and taught in schools, according to the law of 1951, and since there is a new university on the island, at Corte—as well as audio-visual communications.

The administration and control of these crucial areas of regional competence are to be carried out by regional institutions. Some of them will be quite new, such as the *Office foncier urbain de Corse*; others are derived from previous agencies, like the *Office d'équipment hydraulique de la Corse* which is to take over an important segment of the work of the *Société de la mise en valeur de la Corse* (Somivac), created in 1957, whose offices have frequently been attacked by bombs during recent years. In order to control these bodies judicially, new tribunals are to be established. Only the future can show how effectively the Statute will operate and how real will be the transfer of power to the region.

## Violent reaction

The government's proposals for providing Corsica with a measure of self-government in advance of the decentralization of the other regions of France, and in certain respects more far-reaching than that proposed for them, has the

[1] For background, see P. Savigear, 'Corsica 1975: politics and violence', *The World Today*, November 1975, and 'Separatism and centralism in Corsica', *ibid.*, September 1980.

support of the majority in the French National Assembly—although they have been denounced by some elements of the Opposition, notably by the doyen of centralism, M. Michel Debré.

But what of the Corsican reaction? Regrettably, the British press has concentrated more upon the bombings and violence than upon the political and constitutional significance of the administrative decentralization. Bombs are, of course, news and constitutional changes do not make exciting copy.

It is not easy to get the violence into the proper perspective. At the time of writing, more than 500 explosions of various kinds have occurred on the island in 1982 after the truce observed the previous year. Some have been car bombs, the majority attacking property or installations like broadcasting relay centres. On the so-called *nuit bleue* of 20 August, more than 70 separate attacks were reported. They have been directed against the familiar 'colonial' targets: continental French private and business property, government offices or installations, commercial and banking interests, and the property of the Foreign Legion and some of its former members. More recently, there have been increasing attacks against non-French property, particularly against the North Africans' shops and offices. Some of the bombings have been claimed by the separatist group, *Front de la Libération Nationale Corse* (FLNC), who have denounced the Statute as a meaningless concession that should be rejected in favour of separatism; but their members are certainly not responsible for all the outrages. The large number of small groups with particular grievances and political aims makes it almost impossible to pinpoint the terrorists. There is evidence of the purchase of arms, often by quite obscure individuals and in considerable quantities—more than would normally be required for rural pastimes. Without doubt, a number of personal rivalries and old scores are now settled in Corsica by a well placed *plastique* and a daub of paint blaming the FLNC. But this goes further than the traditional Corsican *vendetta*—after all, the island is not alone in experiencing violence of this kind. It does, however, provide excellent cover in the densely grown mountain slopes and adequate sources of explosives from commercial premises.

The new wave of attacks on the property and persons of the North African population, some 20 per cent of the work force on the island consisting mainly of about 18,000 Moroccans, is disturbing. This normally passive and self-effacing population staged a public demonstration to drive home their simple message: they do much of the heavy and tedious work, especially as labourers in the building and construction industry and in agriculture, and thereby contribute to the well-being of the island. The FLNC has denied any part in these attacks. Some suggest a Libyan involvement, others talk of *agents provocateurs*. However, while the increasing incidence of such racial violence is worrying, it would be misleading to link it directly with the political development in Corsica.

The separatists have not been represented only by the FLNC. Among other nationalist groups which have condemned the new Statute for Corsica and urged abstention at the elections for the new Assembly, although they have not supported violence, are the *Cunsulta di i Cumitati Naziunalisti* (CCN). It is they who have pushed the slogan for the expulsion of the French—'*francesi fora*' and '*Legione*

*fora*'. Similarly, the small but well organized Committee of the Fiumorbo[2] has argued, not without some force, that the Statute is really an internal political matter for the French government and parties, and that it will change little of what they see as the colonial politics of Corsica.

### The autonomists

But the largest of the autonomist, *not* separatist, parties—and the distinction is vital in order to understand the last 20 years of Corsican politics—the Union of the Corsican People (UPC), have welcomed and wholeheartedly supported the new proposals.[3] They called for a vote for the Socialists in the 1981 elections for the National Assembly in Paris, and they had drawn up a strong list of candidates for the new Corsican Assembly. The same attitude was taken by the much smaller 'Socialist' inclined autonomist group, the Corsican Popular Party (PPC), who entered a list for the regional elections in August with the aim of creating a Socialist Corsica and achieving the recognition of *national* rights.[4] The major political parties represented in Corsica all contested the regional elections this summer for the members of the new Assembly. Thus they appeared ready to try the Statute and its measure of *autogestion*, although there remains a suspicion that some rightist elements of the Gaullist *Rassemblement pour la République* (RPR) would prefer to see the Statute as a 'deconcentration' rather than as a decentralization of administration, i.e. they hold a 'minimalist' position.

In contrast, the UPC is keen to develop all the opportunities opened by the Statute and to use the new machinery. It has put forward a coherent programme on such questions as regional planning, energy, employment and occupations, training, tourism and the environment, economic diversification and the improvement of transport and infrastructure. The autonomists of this party are probably keener than any other group in seeking contacts with neighbouring states and regions on matters of common interest, not least with North African states on the now delicate question of the immigrant North African labour on the island. Their moves in this direction have been organized long before the Statute was a reality and their foreign relations are in the hands of the intelligent and alert lawyer Lucien Felli, the party's *porte-parole à l'extérieur*.

### The regional elections

In the elections for the new regional Assembly on 8 August, the island formed a single constituency. In contrast with previous practice, the voting was by a system of proportional representation, using electoral lists. It was thought that this system

[2] The Fiumorbo is a river, flowing into the sea about half-way down the east coast of the island, but it is also used to refer to that part of Corsica on the coast and reaching into the hills. Not only has this area a long history of political disturbance—in 1816 a minor 'war' was waged between the inhabitants of the region and the government forces—but it is also in the centre of the big new agricultural developments of the past 20 years, with Ghisonaccia at the heart and Aleria, scene of the troubles at a wine cellar in 1975, to the north and Solenzara, the military air base, to the south.

[3] The UPC have developed from former autonomist groups, notably the *Action Régionaliste Corse* (*ARC*). Many of the leading figures remain those of the earlier organizations.

[4] See '*La stratégie du PPC*'—'*Le PPC regroupe les nationalistes de gauche*' is the claim: *Populu Corsu*, April 1982, p. 4.

would make more difficult the tight control over voting which had characterized the traditional constituencies, and thus would begin to break the hold of powerful local interests, notably the clans. Intensive efforts to check electoral lists led to the elimination of some 5,000 spurious names from the voting registers, and the actual procedure on polling day was closely scrutinized by a team of 110 magistrates from the mainland.[5] The result was a qualified success in so far as the elections took place without major disruption, and the people voted for a greater variety of candidates than ever before; 17 lists were offered.

The outcome was indecisive in that no majority party emerged. Professor Maurice Duverger was reminded of the assemblies of the Weimar Republic,[6] with 14 different parties or groupings represented by the 61 successful candidates. The results revealed three interesting features. The first is the failure of any of the major French political parties to dominate the Assembly. The RPR obtained 19 seats, the Communist Party 7 seats and the Socialist Party only 3 seats. The Left Radicals (MRG), recently a strongly supported party in Corsica and regularly better represented than the Socialists, divided their efforts; the MRG (*Haute-Corse*) obtained 7 seats, and the MRG (*Corse-du-Sud*) 4 seats. Thus the grip of the traditional political parties has declined. They have had to share a near monopoly of the votes—usually the major parties of 'Right' and 'Left' in Corsica poll about 95 per cent of the votes expressed, but this has dropped to 70 per cent for the regional Assembly.

The second feature of the August election was the appearance of what might best be described as local variants of the national and established parties. Thus M. José Rossi headed a list of dissidents from the Giscardian UDF, who gained 6 seats. Two seats went to the RPR dissidents, campaigning on the label *Défense des intérêts de la Corse*. M. Denis de Rocca Serra, *Rassemblement démocratique pour l'avenir de la Corse*, and M. Jean-Louis Albertini, *Renouveau de la région corse*, both obtained one seat and are broadly of the political 'Right'. Two seats have gone to 'left' groups which have also presented an especially local nuance, the *Union républicaine de défense et de promotion de la Corse* and the *Liste socialiste et démocratique*.

The third feature of the results to strike the foreign observer was the autonomist element. The PPC obtained 1 seat, but the UPC did better than expected and gained 7 seats—a personal success for their tireless leader, Dr Edmond Simeoni. The autonomists achieved gains in some usually loyal Socialist or MRG areas; they gathered 17·8 per cent of the vote at Calvi, normally an area of strong 'left' support, and were particularly successful in some rural areas of the Balagne, the interior behind Calvi and the northern coast. They won 14·5 per cent of the votes expressed at Bastia, the home of Dr Simeoni and the headquarters of the UPC. The significance of these autonomist seats (and perhaps one should also include in this context the one remaining seat which has gone to an Independent, M. Philippe Ceccaldi, with his *Liste reconnaissance corse*) is that they make it impos-

[5] An amusing and sympathetic account of his work by one of these magistrates was published in *Le Monde*, 26 August 1982, p. 7.
[6] *ibid.*, 15 August 1982, p. 1.

sible for any of the broadly national or traditional alignments to dominate the new Corsican Assembly. The autonomists are opposed to the system of clans in the Assembly and to those luke-warm in their enthusiasm for regional self-government. Contrary to some opinions expressed in the press in the United Kingdom,[7] they have competed in elections in Corsica before, for example in 1967 and in 1968, but without success and they had recently withdrawn from the electoral battles. In their vigorous campaign against the entrenched interests on the island, the autonomists have argued that the established interests of the political clans have controlled elections. They have conducted campaigns against fraud and this year have made determined efforts to verify the electoral registers—not an easy task with many similar names and much confusion in the huge computer print-out on which the names appear. Their energy in denouncing abuses has been constant, not only in electoral matters, and it resulted in the trial and imprisonment of Dr Simeoni among others in 1975/6. Already the autonomists have made clear that the UPC candidates will make no easy alliances in the Assembly, and that their sharp questioning will continue. Dr Simeoni has challenged the basis on which the new regional Assembly is renting its premises. In a letter to the President of the Assembly, published in the Corsican press, he has questioned whether the public purse should be paying 1,800,000 francs annually for the rent of accommodation in the Hotel Continental at Ajaccio—premises once used by the French riot police, the CRS. His party is ready to take new responsibilities very seriously and to use the opportunities now offered to their fullest extent. In the minds of the autonomists, the new institutions will lead gradually to effective self-government if properly developed, but they are under no illusions about the time and effort required.

Some argue that the success of the autonomists reflected merely disillusion with the present government in Paris, and this may explain their gains in the usually more Socialist areas like the Calvi region and the Monte Grosso. The support for the autonomists could indeed prove to be fickle. However, their strength lies in the towns, particularly in Bastia and Ajaccio, rather than in rural Corsica, and it is the towns that are growing much faster than the countryside. Bastia and Ajaccio now have some 90,000 of the 227,000 inhabitants of Corsica.

The high turn-out at the elections—68 per cent of the electorate cast their votes—contrasted with figures of well below 60 per cent for most of the elections of this century. Corsica and the department of the Corrèze traditionally had the highest abstention rates, even at vibrant moments such as 1958, when Corsica was the first metropolitan department to declare for the Algerian rebels against the Fourth Republic and for Charles de Gaulle. The choice of August for holding elections may have contributed to this lower rate of abstention since fewer registered voters were likely to be absent from the island then and the number of votes by proxy was correspondingly lower than in previous elections. Be that as it may, the new Assembly has at least been launched with public involvement at an exceptionally

[7] e.g. *Sunday Times*, 8 August. Many comments here have been inaccurate or bizarre, especially the suggestion in *The Times* and *The Guardian*, that the opening of the boar hunting season on the same day as the elections was relevant. Would an election in the United Kingdom on the 'Glorious Twelfth' (grouse shooting) really make any difference?

high level—in contrast to the voting for the European Parliament both in France and in the United Kingdom. Those who called for abstention and rejection of the Statute were clearly not followed, and support for the FLNC did not increase noticeably despite their activity. Of course, disillusionment may change this attitude, particularly among the young who are often frustrated and angry, and obliged to seek a living outside Corsica. Now that the former opportunities in the Empire no longer exist, they go to mainland France, but there are some two million unemployed there.

The high level of voting suggests that some traditional voting patterns may have changed and the autonomist success is one indication of this. Yet some areas have retained their old loyalties. The RPR remain strong in the south where their leader, M. Jean-Paul de Rocca Serra, is mayor of Porto-Vecchio (not of Ajaccio as *The Times* stated); his list gained 52 per cent of the votes at Porto-Vecchio. The French Communist Party which suffered a more serious decline in support than any of the other national parties, only 10·8 per cent of the vote, held Sartène with 43·8 per cent; the party has long been well organized and supported there. The UPC, in contrast, managed only 4·5 per cent of the votes cast at Sartène.

The autonomists now hold a rough balance between the various 'left' and 'right' tendencies of the Assembly's members, but this may not be enough to bring about long-awaited changes. Moreover, it would be foolish to minimize the real problems facing the Corsicans. The island has long been one of the poorest parts of France, and now suffers from exceptionally high unemployment. Many former grievances and difficulties remain—high transport costs, a tragically depleted agriculture and the disintegration of rural communities, depredations caused by scrub and forest fires which this year may well destroy almost 30,000 hectares, little productive industry and a great dependence upon pensions, retirement benefits and non-industrial income. In addition, the efforts to improve the social and economic condition of the islanders, many of whom continue to seek their employment and careers on the mainland, have themselves created tensions by the very speed of change. There has been a change during the last 20 years, the distinguished scholar Janine Renucci writes, which has been almost as profound as that of the previous two centuries.[8] The task before the new regional institutions looks enormous. The proposal by the government of M. Mauroy to start the programme of decentralization in Corsica thus seems a bold step. The success of the measures will not be judged by their administrative efficiency alone, but by their impact on the deep-seated problems of the island and on the delicate political ground so long held by entrenched interests. It will not be easy, and there are eyes on the developments in Corsica not only in Paris and in mainland France, but also in those other territories to which change is coming—Réunion, Martinique, French Guyana and Guadeloupe.

[8] *La Corse* (Paris: Presses Universitaires de France, 1982), p. 64.

PRINTED IN ENGLAND BY POPPER & COMPANY LTD, WELWYN GARDEN CITY, HERTFORDSHIRE

# THE WORLD TODAY

DECEMBER

Notes of the Month

China's 12th Party Congress

**THE WORLD TODAY,** *founded in 1945, is issued under the auspices of the Royal Institute of International Affairs and published monthly by the Oxford University Press*

**Annual subscription** *Vol. 38 (1982)*
(post free)
*UK £12*
*US $34*
*Elsewhere £15*

**Single copies**
(post free)
*UK £1.20*
*US $3.40*
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*Orders may be sent to booksellers and newsagents or to the Oxford University Press, Journals Department, Walton Street, Oxford OX2 6DP, UK. Tel. 0865 56767*


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CHATHAM HOUSE



ISSN 0043-9134

THE WORLD TODAY

ROYAL INSTITUTE OF INTERNATIONAL AFFAIRS

EDITOR: LILIANA BRISBY
EDITORIAL SECRETARY: JEAN PELL

December 1982 Vol. 38 No. 12

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# Notes of the month

## THE END OF THE BREZHNEV ERA

LEONID BREZHNEV, since 1964 General Secretary of the Soviet Communist Party and since 1977 President of the USSR, died on the morning of Wednesday, 10 November. It took the surviving members of the ruling Politburo 24 hours to inform the world of their leader's death, but only one more day to decide on his successor. While Brezhnev's mortal remains still lay in state in Moscow's Hall of Columns on the Friday, the Central Committee of the Party appointed Yuri Andropov to be General Secretary in his place. Three days later the Soviet leader was laid to rest, like Stalin but unlike Khrushchev, with full state honours under the Kremlin wall on the Red Square.

Although Brezhnev's death was described as 'sudden', it was not unexpected. His health had been deteriorating steadily and visibly for the last ten years, and latterly he had been scarcely able to carry out his duties. This, at least, gave his colleagues in the Politburo the opportunity to resolve the problem of the succession in good time, and to install a successor with a minimum of fuss. Whatever struggle for power went on behind the scenes, appears to have taken place earlier in the year.

Andropov was the obvious choice for the top job in the sense that he had the best qualifications on paper. He is a Russian and a Party official of long standing, with much experience at the centre of power in the Party Secretariat and some in the Foreign Ministry. Fifteen years as Chairman of the KGB have only added to his authority. Whether he is a hard- or a soft-liner, liberal or brutal, clever or stupid cannot be known by anyone outside the closed circle of Soviet leaders.

Brezhnev's death may be seen as the end, or the beginning of the end, of the rule of the old guard in the Kremlin. Kosygin died in 1980, Suslov at the beginning of this year, the 83-year-old Arvid Pelshe was too ill to attend Brezhnev's funeral, and Kirilenko, once second to Brezhnev, appears to have been ousted from the Politburo without any ceremony at all. That leaves only ten full members compared with 15 in 1980. There is room for Andropov to bring in new and younger people.

This is only the fourth time the Soviet system has had to face the problem of succession at the top. On the last two occasions—the death of Stalin in 1953 and the removal of Khrushchev in 1964—once the formal tributes were over, responsibility for the regime's many shortcomings was heaped on the departed leader. So it will be no doubt in the case of Brezhnev, especially if Andropov decides to make some major switches of policy.

But the Soviet 'establishment'—that is, the few millions of people who identify themselves with the regime and benefit substantially from it—have a good deal to thank Brezhnev for. Khrushchev's 'voluntarism' endangered the very foundations of the Soviet system to such an extent that no Soviet official could feel secure. He upset in turn the leaders of the Party, the police and the army—the three pillars

upon which the Soviet regime rests. Brezhnev's main achievement was to have restored the authority and peace of mind of all three instruments of power and to have brought about an apparently stable balance between them.

Under Brezhnev, the Communist Party, duly reassured, remained the dominant force in Soviet political life and leading political figures were put in charge of the police and the armed forces. But the two men, Yuri Andropov and Dmitri Ustinov, were both members of the Politburo, where they could represent and defend the interests of their respective services. There was no more criticism of the police and their methods; on the contrary, their work was praised in the Soviet press and by the end of Brezhnev's life practically all outward signs of dissidence had been suppressed. At the same time, there was no talk of reducing the size of Russia's vast military machine, which continued to enjoy priority treatment by Soviet industry at the expense of the rest of the economy.

Khrushchev had performed the difficult but necessary task of shaking the Soviet regime free of the paralytic fear in which it had been frozen under Stalin; Brezhnev led the regime back into the Stalinist mould but without the extremes of mass repression it had once known. Khrushchev had tried to break up the huge, unwieldy Soviet economy and to inject some real life into it; Brezhnev restored rigid centralized planning and control. Krushchev experimented with Soviet agriculture; Brezhnev maintained the collective farm system.

Brezhnev restored stability to the regime, but there was a price to pay as stability turned into stagnation. Industrial output faltered, despite efforts to obtain Western technology by fair means and foul. A series of disastrous harvests forced the Soviet government to spend billions of much needed dollars on importing grain from the capitalist world. The Soviet consumer remained as ever at the end of the queue. Brezhnev solved none of the major problems of the regime, but he left the Soviet totalitarian system stronger than when he took it over in 1964.

In foreign affairs, Brezhnev did more than consolidate Soviet domination of Eastern Europe: he extended Soviet control and influence beyond the acquisitions of the Second World War with the invasion of Afghanistan in 1979 and intervention by proxy in Africa and Asia. In 1968, the Soviet armed forces, of which Brezhnev was nominally Commander-in-Chief, invaded Czechoslovakia and suppressed the attempt to introduce a more liberal form of Communism there. A similar attempt made later in Poland was also suppressed with the threat of Soviet military might and the introduction of martial law. Any hopes that the peoples of Eastern Europe may have had of an easing of Soviet and native Communist controls were dashed under Brezhnev's rule.

It is probably wrong, however, to attach too much importance to the part played by Brezhnev personally in the formation and conduct of policy in the Kremlin, especially in recent years. The Soviet leadership is today a much more 'collective' body; Brezhnev himself once commented on how little freedom of choice a Soviet leader had. Nevertheless, he boosted his own ego by adding to his party job the presidency of the state and accepting more honours than any Soviet leader before him. The process reached ridiculous proportions in the lavish praise heaped upon him for the memoirs he was supposed to have written. With his uniforms and

**medals he tried to cut a Stalinist pose. But he was no Stalin, and in his declining years he seemed to symbolize the weaknesses of the Soviet regime rather than its strength. His successor will no doubt act to correct this impression.**

DAVID FLOYD*

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## AMERICA'S MID-TERM BALANCE-SHEET

MID-TERM elections in the United States, when the presidency is not at stake, are usually dominated by local issues. Presidents are often content to remain in the White House, ostentatiously dealing with public business. Not so Mr Reagan this year. He was out on the road, appealing to the voters to 'stay the course' of reducing the burden of government, cutting domestic spending and increasing defence expenditures.

The voters responded by a greater degree of participation—about 40 per cent of those of voting age—than has been seen at a mid-term election since 1970. They were stirred, undoubtedly, by unemployment of over 10 per cent and probably by a long list of propositions on state ballots, including, in nine states, the demand for a freeze on nuclear weapons. (It was turned down in only one of these.)

The voters' response fell short of the wave of disapproval that the Democrats had hoped for, but it may prove more decisive than it seemed at first. No inroads were made on the Republican majority of 54 to 46 in the Senate. But only 12 Republican seats were at risk, compared with 21 for the Democrats including that of Senator Byrd of Virginia, who often votes with the Republicans. One of the two Democratic incumbents who lost, Senator Cannon of Nevada, has had his name brought into a trial in which trade union corruption was alleged.

In the House of Representatives, however, there were 26 Democratic gains, over twice as many as the President's party usually loses in the first mid-term election after his inauguration. And in the elections for governor, the Democrats swept the board, winning nine and losing two, for a net gain of seven.

Republican hopes of establishing themselves as the majority party have thus been disappointed, even though there seems to have been no clear conviction that the Democrats could do much better in dealing with the country's recession and stagnation.

Yet the Democrats came close to doing very much better at the polls. In the Senate, some Republicans, such as Senator Chafee of Rhode Island and Senator Danforth of Missouri, barely made it back. It is calculated that a change of as little as 40,000 votes in five states would have given the Democrats control of the Senate. Such calculations appeal to the defeated. But they also make the victors nervous and in 1984 there will be more (19) Republican seats at risk.

In the House of Representatives, a gain of 26 seats means that the Democrats

will increase their majority from about 50 to over 100. Almost a third (14) of the Republicans who rode in on the President's coat-tails in 1980 were defeated. More important, most of the new Democrats are liberals or moderates. Although most of the so-called 'boll weevils' (conservative southern Democrats) survived, it will be difficult, probably impossible, for President Reagan to revive the coalition of Republicans and conservative Democrats that gave him such sweeping victories during the past two years. The Democrats calculate that they have 215 votes of the 218 that constitute a majority in their pockets. Next year the proposal to freeze nuclear arms, which failed by only two votes this year, might well pass.

Sounds of compromise are being heard, even from President Reagan. Republicans are not far behind the Democrats in proposing schemes to alleviate unemployment at least a bit by tackling the repair of America's deteriorating roads, bridges and sewers.

President Reagan, who said not long ago that it would take a 'palace coup' to bring in new taxes, seems taken with the idea of financing these works with an increase in the tax on petrol, which could be described as a 'user fee', not a tax. Another consequence of increased Democratic strength—and of budget deficits put at $150 billion or more in the fiscal years 1983 and 1984—is almost certain to be some reduction in the fast pace at which the President planned to enlarge spending on defence.

The elections that will have the greatest influence on the future of the two major parties are those for state governor and the state legislatures. American political parties are based in the states and promising candidates get their first chances to show their paces in the states legislatures. Next year the Democrats will hold 34 governorships compared with 16 for the Republicans. They will control both chambers of the legislatures in 34 states, the Republicans only 12.

How valuable it is to win control in the states was demonstrated on 2 November. District boundaries are redrawn after every ten-yearly census. The 1980 census showed that states in the north-east and middle-west had lost population to such an extent (and the south-west and west had gained so much) that 17 new constituencies had to be created in the south and west. As these are the most conservative parts of the country, it was assumed that Republican gains would result. Instead, the Democrats won 10 of the 17 new constituencies. Democratic skills in the art of gerrymandering are not to be despised.

The Democrats' greatest loss in the governorships stakes occurred in California where Mr Tom Bradley, the Mayor of Los Angeles, failed, by less than 1 per cent of the vote, to defeat Mr George Deukmejian. Mr Bradley would have been the first popularly elected black governor and racial prejudice may have supplied the Republicans' narrow edge. However, against most expectations, the Democrats' Mr Mark White wrested Texas from Governor Clements (who saw an investment of $12 million or more go down the drain) and Mr Mario Cuomo held New York for the Democrats in a race against Mr Lewis Lehrman, a red-suspendered millionaire who nevertheless did well with a prescription of Reaganomics and the gold standard. In another large state, Pennsylvania, Governor Thornburgh, a Republican, fought off the opposition, but by an astonishingly narrow margin.

Unemployment, so severe in the industrial mid-west, and farm discontent accounted for Democratic victories in Michigan, Ohio, Wisconsin, Minnesota and Nebraska. In New Mexico, Mr Toney Anaya held the governorship for the Democrats with a large turnout of Hispanic Americans. Hispanics also made themselves felt in the races for the House, raising their numbers from six to nine. This was a larger percentage rise than that for blacks, whose Congressmen rose only from 17 to 20. But they made themselves felt in an unlikely state, Alabama, where 90 per cent voted for a redeemed George Wallace.

Seven millionaires were successful in the Senate races (including Mr Lautenberg in New Jersey who was pitted against a Republican millionairess, Mrs Millicent Fenwick). Six millionaires ran for the Senate and lost.

This prevalence of millionaires is no coincidence. The law controlling election spending (an unsatisfactory amalgam of congressional and judicial decisions) permits a candidate to spend as much as he likes of his own money. And more and more money is being spent in elections in the United States as costly television seconds take the place of party rallies, with the candidate present in person.

It is estimated that $300 m. was spent on the congressional races alone this year, about a quarter more than in 1980. The parties and their committees could provide only a small fraction of the total. Republican candidates have shown themselves adept at attracting small contributions from individuals, often by direct-mail campaigns. The Democrats, belatedly, are doing the same, though they have been less successful in spending it where it will do the most good, in backing promising newcomers. The large gap that remained was bridged by political action committees, allied with neither party but speaking (and contributing) in the interests of butchers, bakers, candle-stick makers as well as large defence industries and corporations such as AT&T. It is a safe guess that more than half of this money was given to, or spent on behalf of, Republican candidates. Much of it, however, was spent on behalf of candidates of either party who are chairmen or important members of congressional committees whose decisions affect business interests.

Although there are limits on what one of these committees may give directly to a candidate, there is none on the amount that a candidate may accept from a proliferation of committees. Nor is there any limit on the amount a committee can spend if it maintains no contact with the favoured candidate.

This is the hole through which the New Right drove a horse and cart in the 1980 elections. Their negative advertising was credited with bringing down a whole clutch of Senators whose views they disliked, including Senator Church and Senator McGovern. This year their committees, such as Senator Helms's Congressional Club, collected more than any other political action committees. But their effectiveness seems almost to have disappeared. Most of the candidates in his own state whom Senator Helms backed were defeated. Elsewhere, candidates whom the committees threatened fought back successfully. Voters were antagonized rather than impressed by outside attempts to influence the way they voted.

This was supposed to be a women's year. Two good candidates were standing for the Senate, others for governor. None of them won. In the House races, 33 were nominated, 21 won. This was an advance of only one over the number of

women in the present Congress. Women's groups have been sobered. But this does not mean that women's votes did not count. The Democratic vote, put at 35·5 million, 52·9 per cent of the total, compared with only 30 million, 46 per cent, for the Republicans. This difference reflects, at least in part, women's greater hostility to President Reagan and his Republicans—the so-called gender gap.

MARGARET CRUIKSHANK

## THE SOCIALIST VICTORY IN SPAIN

ON 28 October, seven years after the death of General Franco and only five after the re-establishment of democracy, Spaniards have elected a Socialist government. The electorate clearly indicated its support for the democratic process through a record turnout of 79·6 per cent. The increased level of participation, (only 68 per cent of voters turned out at the previous general election in 1979) augurs well for the future of democracy.[1]

The scale of the Socialist landslide came as little surprise in view of the confident predictions of the pollsters. The *Partido Socialista Obrero Español* (PSOE) secured an outright majority in the *Cortes* and their 40-year-old leader, Felipe González, has become Western Europe's youngest Prime Minister. More surprising was the spectacular rise of Manuel Fraga's conservative *Alianza Popular* (AP), which took second place, rising from a mere nine seats in 1979. The election results indicate a clear polarization of Spanish politics between the Socialists and the *Alianza Popular*. Between them, they share some 307 of the 350 parliamentary seats, with ten other groups dividing up the remaining 43 seats. This polarization was facilitated by the collapse of the former governing party, the *Unión de Centro Democrático* (UCD), and the decline of the Communists (PCE). The trend was accentuated by the use of the complex 'd'Hondt' system of proportional representation, which favours the more successful parties. The PSOE, with 46 per cent of the poll, obtained nearly 58 per cent of the seats, whilst the AP with 25 per cent of the votes, was allocated some 30 per cent of the seats.

The election was precipitated by the break-up of the ruling UCD with numerous defections from its left and right wings. The Prime Minister, Calvo Sotelo, his majority undermined from within, decided that he could continue no longer and on 27 August asked the King to dissolve the *Cortes*. The ensuing election campaign took place against a background of growing tension, heightened by the discovery on 2 October of 'Operation Cervantes'—a plan for a military seizure of power on the eve of the elections. The attempt was thwarted and three senior officers

[1] The results of the elections were as follows: PSOE 46·07 per cent of the poll, 202 seats. AP 25·35 per cent and 105 seats. UCD 7·26 per cent and 13 seats. PCE 3·87 per cent and 4 seats. CDS 2·89 per cent and 2 seats. CiU 3·73 per cent and 12 seats. PNV 1·91 per cent and 8 seats. HB 0·97 per cent and 2 seats. EE 0·47 per cent and 1 seat. Esquerra Republicana de Catalunya (radical Catalan nationalists) 0·66 per cent and 1 seat.

arrested, but the unmasking of the plot only contributed to the atmosphere of uncertainty and many voters remained undecided right up to the day before the poll.

The Socialist programme was well suited to the exigencies of Spain's socio-economic and political position. González, who had thrust modernization and moderation upon his own party, culminating in the abandoning of the PSOE's Marxist ideological baggage in 1979, attempted to impress these dual values on the Spanish electorate. He emphasized moral rather than radical reform. A moderate programme was necessary which would seek the co-operation of all sectors of the political spectrum. The fragility of democracy and the pressing economic crisis reduced the Socialists' margin for manœuvre. To many observers, the policy differences between the PSOE programme and that of the previous government were largely a matter of degree rather than of kind. With over two million out of work, 16 per cent of the active population, the Socialists promised to create 800,000 jobs over the next four years. Public investment would become the motor for the economy, stimulating demand and encouraging private investment. No major nationalizations were envisaged apart from the bringing into public ownership of high tension electricity supply. To aid small and medium-sized businesses, numerous measures were promised, notably the reduction of employers' social security contributions and more flexible credit. The existing state sector and the administration were to be made more efficient. The Spanish employers' federation remained sceptical, but many businessmen and bankers seemed prepared to adopt a more neutral stance. It remains to be seen if the government will be able to persuade the private sector to step up investment and proposed reforms are likely to exacerbate Spain's mounting budget deficit.

The collapse of the ruling UCD was dramatic. The outgoing Prime Minister and 12 other Ministers or former Ministers lost their seats. Even in its traditional heartlands, the UCD's returns were catastrophic. In the agricultural province of Castilla-Leon, the UCD lost 22 seats. The Socialists picked up eight of these seats and Fraga's conservatives 13. The centrist party of the former Premier, Adolfo Suárez, the CDS, which had broken away from the UCD and had been caught unprepared by the elections, obtained one seat.

The UCD was an artificial and heterogeneous collection of social democrats, liberals and Christian democrats. Grouped around Suárez, the party had inherited power from the dictatorship. In the event, it has proved merely a transitional force, falling victim to internal dissension and personal rivalries. Despite a brave campaign, the UCD leader, Landelino Lavilla, was unable to convince the electorate that a centre party was indispensable. Yet, if the party of the centre has disappeared, Suárez hopes to rebuild one through the nascent CDS, whilst Lavilla intends to reconstruct his shattered organization. However, the numerous defections have not simplified the tortuous internal affairs of the UCD. Some elements are likely to drift towards an accommodation with Fraga's *Alianza Popular*, though Lavilla, who strongly criticized Fraga during the campaign, hopes to persuade the electorate that only a centre-right party can hope to beat the PSOE at the next election. On 15 November, Señor Lavilla and his colleagues resigned their

leadership of the UCD. The future of the formation will be decided at an extraordinary Congress on 11 and 12 December.

The election results were disastrous for the PCE. The veteran Communist leader, Santiago Carrillo, sought to explain his party's collapse by widespread 'tactical voting' on the part of Communist sympathisers, in favour of the PSOE. Whilst this may be true, the real reason for the PCE's decline must be sought nearer home. The party has been riven by defections and expulsions and the contradictory posture of Carrillo, both reformist and autocratic, has done little to restore the Communists' fading image. The party is divided between the 'official Eurocommunists' supporting Carrillo, the so-called 'renovators' who favour further liberalization and the acceptance of internal tendencies, and the 'pro-Soviet' hardliners, who argue that Carrillo's emphasis on support for the consolidation of democracy has ignored the defence of working-class interests. The Catalan Communist Party (PSUC), which after the 1979 elections accounted for a third of all Communist deputies, has been beset by internal problems. It recently expelled a large group of 'pro-Soviets' who promptly set up their own Communist Party of Catalonia (PCC). A majority of the Basque Communists were expelled from the PCE for advocating fusion with the leftist Basque nationalists of *Euskadiko Ezkerra* (EE). Six 'renovators' in Madrid, including Manuel Azcárate, who supported the Basque Communist position, were expelled from the Central Committee.

The PCE is undergoing a crisis of identity. Its relative liberalization has borne little fruit. There has been undoubted change. The debate at last year's 10th Party Congress was spirited and relatively open. However, reform has brought a blurring of the PCE's identity. The tide of 'Eurocommunism' has receded and the PCE is left stranded, not knowing whether to reform itself further, or to return to pro-Soviet orthodoxy. On 6 November, Carrillo resigned as party leader and nominated as his successor a young ex-miner and party official from the Asturias, Gerardo Iglesias. The new General Secretary is known to be a faithful supporter of Carrillo, who retains his positions on the party's Executive and Central Committees and is likely to continue to have a major say in the PCE's future.

The incoming Socialist administration will inherit from its predecessor the problem of Spain's autonomous regions. Both Catalan and Basque nationalists are suspicious of the PSOE, which they regard as fundamentally centralist in outlook. They point to the PSOE's agreement with the UCD in 1981 to promote a new law for the 'harmonization of autonomies'. This, they claim, was designed to weaken the degree of autonomy already granted and to slow down the extension of the process to other regions. In effect, autonomy will become mere administrative decentralization. In Catalonia, the moderate nationalists of *Convergéncia i Unió* (CiU) consolidated their position, winning 12 seats to their previous eight, though the Socialists and AP also made gains at the expense of the UCD and the Communists. In the three Basque provinces, the moderate nationalists of the *Partido Nacionalista Vasco* (PNV), maintained their position, despite a strong advance by the PSOE. The electoral campaign in the Basque country was punctuated by violence. Following the Socialist victory, the separatists of *Herri Batasuna* (HB), close to the military wing of ETA, indicated that the gunmen might be prepared

to come to the negotiating table. However, the assassination by ETA terrorists on 4 November of the commander of the Brunete armoured division, General Lago Román, is likely to have ruled out any negotiations for the immediate future. Better relations between Paris and Madrid, witness the recent arrest of ETA suspects in France, may well enable a more effective campaign to be waged against the terrorists, who have little popular support. The autonomous Basque and Catalan parliaments remain dominated by their nationalist majorities or coalitions and are likely to prove irksome to the Madrid government. However, the size of the PSOE majority reduces the weight of the nationalist deputies in the *Cortes*.

Spain's search for a democratic consensus continues. Supporters of democracy can only take comfort in the results of the October elections. Anti-parliamentary parties received a derisory share of the poll. According to Juan Cebrián, director of the influential Madrid daily *El País*, a vote for the PSOE was not so much a vote for socialism, as a vote for modernity and against the symbols of the past. Millions of Spaniards took to the streets to demonstrate in favour of democracy following the abortive coup of 23 February 1981, and voters flocked to the polls to demonstrate their faith in democracy following the unmasking of 'Operation Cervantes'.

The voters of the centre have divided themselves between the moderate reformism of Felipe González and the conservatism of Manuel Fraga. This polarization of Spanish politics, offering as it does a clear majority, may well prove beneficial. The PSOE must strive to maintain its moderate stance and the opposition of the *Alianza Popular*, though resolute, must be democratic and constitutional. Failing this, a division may develop within the Spanish polity, which discontented extremists may be tempted to exploit. Recent events have indicated that it is not the army as an institution that is against democracy, despite its assuming the role of defender of national values and integrity. Rather, the threat comes from reactionary groups within the armed forces, who will attempt to capitalize on any signs of disenchantment with Spain's fledgeling democracy. Senor González is faced by urgent problems. Should his economic measures falter, he is likely to come under criticism from the left of his own party, as well as from the opposition parties and the electorate at large. Premier González has opportunities, but they are limited. He needs luck, that is, an upturn in the world economy, if his own economic measures and stabilization plan are to succeed.

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# Italy: the weakest government in Europe

DAVID WILLEY

ITALY's last Prime Minister, Giovanni Spadolini, who had the distinction of being the first non-Christian Democrat to lead a government since the founding of the Italian Republic 36 years ago, was appointed to clean up a Mafia-type Freemasonry scandal and left office as the victim of yet another economic crisis. The Mafia—in its widest sense—and an economic situation that grows yearly more desperate are the conditioning factors of contemporary Italian politics. Institutionally also Italy is weak. Signor Spadolini told a group of industrialists in Milan, shortly before his final political demise, 'institutionally we have the weakest government in Europe.' This article is an attempt to look at the realities behind the posturing and the prolixities of the political leaders who often succeed in mystifying their own electors quite as much as befuddled foreign observers.

Signor Spadolini left office without clear light having been cast on the ramifications of the P2 Freemasonry scandal which brought down the government of his immediate predecessor, Signor Arnaldo Forlani, and without justice having been seen to be done in relation to the main culprits. A parliamentary commission of enquiry into the P2 affair appears to have got bogged down in exactly the same way as a similar commission of enquiry into the Mafia in the 1960s. The Grand Master of the P2 Lodge, Licio Gelli, was finally arrested in Switzerland this autumn on an international warrant and proceedings are in course for his extradition. The fact that the P2 organization was really a 'state within the state', involving senior army officers, police chiefs, diplomats, leading industrialists, not to mention two Cabinet ministers and a large number of senior civil servants, has been amply borne out in the reports which have filled Italian newspapers ever since the scandal broke in the summer of 1981. But apart from hasty internal postings, resignations and departmental reshuffling, the number of actual criminal prosecutions arising out of the P2 scandal has been insignificant. The Public Prosecutor, Domenico Sica, shelved a large number of pending cases in June 1982 declaring, after reading a 130-page report, that the police had in his opinion failed to substantiate their charges. Although P2 has been formally dissolved by Act of Parliament, Italians can conclude that other occult centres of power still exist within the state.

### 'Parallel power'

Organized crime has been a thorn in the side of the Italian state ever since it was founded in the nineteenth century. The most vivid proof of the continuing intimidatory power of the Sicilian Mafia was the murder in Palermo of General Carlo Alberto Dalla Chiesa and his young wife in September 1982. Signor Spadolini sent General Dalla Chiesa to Sicily to try to clean up Mafia crime, with the assurance

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that he would have the full support of the Rome government. Within five months of his appointment, General Dalla Chiesa, who had a long and honourable record as head of the Carabinieri, Italy's para-military police force, and as a specialist in anti-terrorism, returned to the mainland in a coffin.

Prime Minister Spadolini told Parliament and a shocked nation: 'External violence aimed at collective intimidation, and infiltration from the inside into centres of power in the world of administration, banking, business and public authorities, without any exception, are aspects of the single and comprehensive technique of parallel power.'

The local Communist Party chief in Sicily, Pio La Torre, was murdered by the Mafia in 1981 for daring to challenge their power monopoly in the island. The new anti-Mafia Law, passed by Parliament within a week of the Dalla Chiesa murder, had been championed by Pio La Torre before his death, but it was allowed to lie fallow for over a year before actually getting voted into law. Pietro Ingrao, a leading member of the Italian Communist Party (PCI), wrote in *l'Unità* after the killing of Dalla Chiesa: 'Centralized organizations have been formed with the aim of gaining control over the major nerve centres of economic speculation and political power—from the international drug industry, to corruption in big public tenders, to links with international banks, to the recycling of illegal capital. The damage is *not only "outside" and "against" this state but "within" the state itself.*'

So there is general agreement that something ought to be done to combat 'parallel power', but little evidence that real progress is being made. It is just 20 years since the setting up of the Parliamentary Commission of Enquiry into the Mafia, which wound itself up lamely in 1972 with the conclusion, truer than ever ten years later, that 'the new Mafia is characterized by the search for ever greater profits in all sectors permeable to its penetration, by the daring of its projects, by the terroristic and professional nature of its violent methods, by the open challenge to the powers of the state and to public opinion, by its links with other criminal groups both in Italy and abroad, and by the dangerous territorial extension of its ramifications.'

The technique used by the late General Dalla Chiesa in his battle against Mafia crime was based on investigation into the assets and bank accounts of suspected Mafia bosses and their accomplices. A data bank was brought into use for the first time to try to keep track of 'dirty' money, and tax returns of Mafia suspects were scrutinized for the first time on a serious basis. One positive result of the Mafia's elimination of the man whom they evidently had just cause to fear most was that public discussion of the Mafia phenomenon, previously inhibited by very real fear of reprisals against those who broke the taboo, blossomed. A discussion by magistrates in Palermo and Florence, broadcast on the State Television Network RAI during October 1982, revealed some telling evidence about just how far the Italian state still has to go in its battle against organized crime.

The four judges who deal at present with Mafia crime at the centre, in Palermo, admitted that they were not specialists in the subject and had to deal with all sorts of ordinary crime as well in the course of their duties. They received no special training in banking to help them trace the labyrinth of banking connexions which

enable the vast profits from drug trafficking, for example, to be recycled and even reinvested in legitimate businesses. 'We are artisans and the Mafia are professionals', Paolo Borsellini, one of the judges, told his interviewer. Another judge, Giovanni Barile, explained how it was impossible to protect the lives of individual citizens who decide to break the traditional bond of silence behind which the Mafia operates.

'You cannot guarantee that a citizen who decides to co-operate with the police can be protected from attack by those who would like to eliminate him', he said.

The chief Public Prosecutor in Florence, Pier Luigi Vigna, said he thought that the Mafia was now more dangerous than political terrorism. While the Red Brigades operated for ideological reasons, the Mafia is politically and ideologically neutral, he explained. 'The only idea behind the Mafia is enrichment.' The fact that terrorist crime is often altruistic in nature and Mafia crime is carried out for purely selfish reasons makes it much more difficult to investigate. Terrorist crime is a message—responsibility is claimed by a particular organization. Mafia crime is by definition occult. No one ever claims responsibility.

In Campania, the area around Naples, the local Mafia goes by the name of the Camorra. Its undisputed boss is called Raffaele Cutolo and the fact that he is currently serving a long prison term for extortion does not apparently inhibit his activities. The intimidatory powers of the Camorra both against individuals and the state are considerable. More than 300 people have been killed by the Camorra in the first ten months of 1982—far more than by any Italian political terrorist organization. Cutolo's contribution to the development of organized crime in Italy was to recruit among the hordes of young unemployed in the Naples hinterland, and in the overcrowded prisons, what the authorities admit is now 'an army of occupation'. The motivation that he offered was quasi-political—a redistribution of wealth in favour of the poor—but there the similarity with the Red Brigades, for example, ends.[1] Cutolo's Camorra is mass-production crime. Extortion, robbery, drug trafficking and the receiving of stolen goods have been extended systematically to all commercial and local government activities in the area infiltrated by the Camorra. Extortion rackets can affect any organization or person who has a regular source of income—right down to old-age pensioners. Even the poor living in the high-rise slums of Secondigliano near Naples pay protection money to prevent their cars parked in the urban wasteland from being vandalized or stolen. The Camorra's clear aim is to be that alternative to the weak power of the state that the ordinary political system has so far failed to provide during more than three decades of virtually one-party rule by the Christian Democrats.

### Worsening economic situation

The sorry state of Italy's economy was the main cause of the death of the five-party coalition led by Giovanni Spadolini from June 1981 to November 1982.

[1] During the kidnapping by the Red Brigades of a local Neapolitan Christian Democrat politician, Ciro Cirillo, in 1981, the judicial authorities used Cutolo, although he was operating from his jail cell, as a go-between in their investigations. Cirillo was released by his captors after payment of a hefty ransom by his political friends.

There was much talk about reform, about how to distribute the burdens that a serious attempt to cure the nation's economic ills will require, but virtually no coherent action to halt the decline towards national bankruptcy. Signor Giorgio La Malfa, the Budget Minister, told Parliament a month before the government fell: 'We are going through the worst economic crisis since the Second World War.' He said that public spending has grown from 33 per cent of national income to 52 per cent, while the Budget deficit has now reached the figure of 15 per cent of GNP in comparison with a figure of around 3 or 4 per cent for other industrial countries. It has been calculated that the accumulated public debt now amounts to about seven million lire (over £3,000) for each Italian man, woman and child.

Simply to pay the interest on this debt costs the Italian Treasury the equivalent of over £20,000 m. a year. Government spending has got out of hand because of the growing tendency of legislators in recent years to pass laws that require public financing without worrying about where the money is coming from. Inflation, and the natural ageing of a population which each year claims more and more money in pensions and health care, takes care of the rest of the increase. For years, Governors of the Bank of Italy have been warning successive Prime Ministers of the dangers of uncontrolled government spending. This year's Budget deficit is estimated at 70,000 billion lire (£30,000 m.) while the forecast for 1983 is upwards of 100,000 billion lire (£44,000 m.). At this rate of spending, Signor La Malfa warned, Italy might well be forced out of the European Community.

While other major industrial countries appear to be bringing their rates of inflation down to acceptable levels, Italy is registering some worrying jumps in the inflation rate which is currently running at 17 per cent annually, rising to 20 per cent, with increases in the monthly cost of living index averaging 1·5 to 2 per cent each month since July 1982. Employers plan to drop the existing wage index system or *scala mobile* with effect from 1 January 1983, arguing that, as calculated at present, it fuels inflation instead of protecting workers against its effects. However, the main trade unions cannot agree on how to replace the present system by a more inflation-proof one, and talks with the Employers' Federation, *Confindustria*, are stalemated.

The 30 per cent decline in the value of the lira against the American dollar this year is perhaps a more important source of galloping inflation. What is particularly worrying about the situation is that Italy is experiencing inflation during a period of worsening recession. In other words, Italians are paying a higher price in terms of unemployment and short-time working than other industrial countries hit by world economic recession without reaping any of the corresponding benefits in terms of the fall in the rate of inflation normally to be expected at such a time. This is because Italy, like Britain, has to import most of its raw materials for industry and is literally importing inflation.

Yet another danger signal is the worsening of Italy's balance of payments, expected to reach a deficit on this year's current account of about 13,000 billion lire. The beneficial effects for Italian exporters of the last devaluation of the lira within the EEC basket have been cancelled out by rises in production costs. Important sectors such as textiles, machine tools and shoe manufacture which

did well in the early part of 1982 have fallen back. Heavy borrowing abroad to finance this deficit is causing further pressure on the lira.

It requires some political clout to devise a workable economic policy to deal with such a potentially disastrous economic situation, which accounts for the general sense of pessimism in political circles in Rome. There has been much talk about institutional reform, of 'Presidential' government, and of 'alternative' government in the sense of breaking the 36-year power monopoly of the Christian Democrats and devising a formula by which Italy's second largest political party, the PCI, might participate more fully in government than by offering to abstain in parliamentary votes.

During his period of office, Signor Spadolini did draw up some new rules for the strengthening of the powers of the Prime Minister and his office, traditionally at the mercy of the Party Secretaries of the governing coalition parties. Signor Spadolini reminded the political establishment that, according to the rules of the 1947 Constitution, it is the Prime Minister, not the Party Secretaries, who selects his Ministers and lays down policies.

The magnitude of the task facing the next Italian government in fighting organized crime, tackling economic disaster and dealing with terrorism, unemployment and energy policy, has caused some analysts to suggest that there may be some flaw in the system laid down by the founding fathers of the post-war Italian Republic when they wrote their Constitution. The system of checks and balances devised to prevent the country ever being taken over again by a Fascist dictator has encouraged a state of political paralysis.

The mechanics of good government simply do not exist in Italy. One of Signor Spadolini's most important proposals was that Parliament should have sufficient time to review government legislation, particularly the annual Budget, which is not the case at present. Recent governments have frequently resorted to legislating by decree on important financial matters, and the decrees then have to be authorized restroactively by Parliament, a cumbersome and unsatisfactory way of dealing with current economic policy.

# China's 12th Party Congress

JONATHAN MIRSKY

CHINA's Communist Party has urged 'all comrades with good reading ability' to study the 12th Party Congress documents with great care—'once or twice is not enough'. But the task need not be an arduous one. Even the dimmest cadre will need to take in only three facts: the refusal of certain doddering old men at the top of the Party tree to climb down a branch or two; the ability of Mao's successor, Hua Guofeng, to survive yet another onslaught; and the improbable new goal of quadrupling production before the Year 2000.

What all Chinese aware of national events will notice is that, despite his often repeated promise to 'retire to the second line', Deng Xiaoping lingers on as the paramount leader, and the policies he has laid down since his second rehabilitation in 1977 continue, placing economic development and Party discipline first, and relegating Mao's fundamental beliefs to the catch-all category of 'tragic errors'. These include the communes, contempt for intellectuals and, above all, the need for endless revolution.

In his opening address to 1,554 delegates on 1 September, Deng told them that this congress was the most important since the Seventh in 1945, four years before the Communist victory. The Party propaganda machine took his cue, and for days after the Congress concluded on 11 September, its accomplishments were trumpeted in the national and provincial press: the approval of the long Report of the General Secretary, Hu Yaobang; the adoption of a new Party Constitution; the endorsement of the Discipline Commission's report on rehabilitation and loyalty; and the 'election' of a new Politburo, Central Committee and other leading bodies.

What the readers of these crucial documents will inspect them for is the possibility of alleviating China's main problems, not before the magical Year 2000, but before their great grandchildren are born. At least 100 million Chinese, one-tenth of the population, are officially conceded to be 'short of grain' which is the code expression for hungry. The census released in October puts the number of citizens said to be illiterate at one-quarter of the population; this is a very low standard indeed in a country where 21 million 'literate' urban workers surveyed last year were found to be at only primary school 'cultural level'. The creditably low population growth rate of 1·4 per cent annually is still too fast; unless there is a *drop* of 300 million within a century, all economic plans, no matter who draws them up, will founder. But under the new agricultural incentive policies, in which peasant families are urged to 'get rich', the more children as field hands, the better. Students of the Congress documents will observe that Hu Yaobang could do little more than restate the crisis in population growth.

Despite a slightly wider scattering of women in top political jobs, female emancipation has faltered since the great strides of the early 1950s. Girls are still re-

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garded as 'nicer', more studious but less clever than boys. Less than half the primary school intake is female, and by the time they reach university level, women take up barely one-quarter of the places.

Instead of concentrating on such problems, none of which can be convincingly pinned on the Gang of Four, counter-revolutionaries or Western imperialism, but rather on centuries of backwardness and exploitation combined with Maoist obsessions and Party policy aberrations, Deng and his allies at the Congress, apart from their staggering promise to increase production four-fold within 18 years, elected to go for the old standbyes: discipline, loyalty and the threat of purge.

**Threat of purges**

That threat was fully unveiled by Hu Yaobang at the very end of a speech so long that it took six days to be published as a full text. The Central Committee, the new General Secretary declared, was determined to conduct an 'over-all rectification', which will require the re-registration of all 39 million Party members. Should they fail to measure up to Dengist standards, they will be expelled from the Party. Hu's proclamation should send a shiver down the spines of millions of cadres. For several years, Deng Xiaoping has been insisting that up to half the Party's entire membership, drawn in during the decade of the Gang's domination (1966–76), are inadequate or downright subversive. Since the Gang of Four's arrest in late 1976,[1] many Chinese have been waiting to see when the present hierarchy who, like Deng Xiaoping, Hu Yaobang and Premier Zhao Ziyang, suffered at the hands of the now disgraced Maoist wing of the Party, would have their revenge. The great flushing out, Hu said, would begin in 1983, and go on for three years.

Painstaking, long-term purges, with minimal executions are a Deng Xiaoping hallmark. Deng still insists that the 1958 Anti-Rightist campaign, over which he presided as Party General Secretary, sending thousands of intellectuals into rural purgatory or house arrest from which some did not emerge for nearly 20 years, was necessary, though over-zealous. This spring, Deng ordered a purge of several hundred thousand civil servants, including the 'retirement' of 11 out of 13 Vice-Premiers, and the sacking of 50,000 school teachers in one province alone. It is plain, therefore, despite the assurance of the Party ideologue, Hu Qiaomu, that China now enjoys 'collective leadership' and has obliterated the cult of the individual, that Deng is at least first among many. As Chairman of the Party's Military Affairs and Central Advisory Commissions, with a seat on the Politburo's six-man Standing Committee which runs China, and flanked there by his protégés Hu Yaobang and Zhao Ziyang, the 78-year-old Deng appears as powerful as ever, and just as tough.

Deng's opening remarks to the Congress were short and characteristically blunt, devoid of the unconvincing verbal excesses of even his most pragmatic colleagues. Like Chinese leaders since the late 19th century, Deng wants his country to be 'modern,' and like his predecessors he wants to limit the intake of culturally dis-

[1] For background, see David S. Goodman, 'China: the politics of succession', *The World Today*, April 1977.

torting values which he believes accompany Western technology and techniques. China's continuing difficulty in finding genuine experts for the gigantic task of modernization was reflected in the propagandists' boast that now 59 of the 211-man Central Committee had professional or technological qualifications. Ever since his 1978 come-back, Deng has been battling with Chinese realities; he is concerned with real conditions, not the voluntarist dreams which led Maoist fanatics during the 1958 Great Leap to invent production fantasies outstripping Europe, or Red Guard-inspired doctors during the Cultural Revolution to attribute medical miracles to the inspiration of Mao's Little Red Book. For Deng, China's realities are its poverty, the backwardness of its officials and the Maoist waste of 20 years. He insists, too, that while China requires knowledge from abroad, it will be no nation's running dog, a clear message to Moscow and Washington that Peking will strengthen and weaken its links with them depending on its needs, and not on theirs to play the Chinese card against each other.

Deng's priorities remain constant: to increase production, to reintegrate Taiwan (and therefore Hong Kong) and to oppose Soviet 'hegemonism'. (Hu Yaobang extended this opposition to US 'imperialism'). China requires younger and more professional leaders, Deng told his audience, cadres equipped with Western technological and scientific skills but imbued with a 'socialist spiritual civilization' to make them immune to the 'sugar-coated' bullets of Western decadence. For those listening who did not believe him, Deng partially unsheathed the sword of Party rectification.

In Hu Yaobang's speech, which followed, it was fully drawn. Stripped of its rhetoric, some of which must have made Deng wince, Hu's immensely long speech consisted of a series of anti-Maoist hammer-blows, unmistakable to any Party member who had read last year's Resolution,[2] which consigned to the historical scrap-heap most of the late Chairman's policies from 1956 onwards. The post-Mao Party, Hu maintained, had broken the grip of dogmatism and personality and ended a long period of social unrest. 'Leftist'—that is to say Maoist—mistakes in agriculture, industry, education and culture were finished. After years of fear, intellectuals could now count on respect and support. A revolutionary modern army was beginning to emerge. And next year would see the beginning of the great Party purge. Hu's speech showed that even in a godless, materialistic People's Democracy, exorcism is no small matter. China continues its battle to demonstrate, largely to itself, that Mao's ghost is no more than a paper tiger.

### Demotions and appointments

None the less, as Mao himself used to point out, even paper tigers have teeth, and one of the minor surprises of the 12th Party Congress when the delegates were preparing to go home was the continued—if diminished—presence of Hua Guofeng, Mao's personally appointed heir, according to myth. No one beside Hua has ever served simultaneously as Party Chairman and as Premier, and for several years after Mao's death in 1976, he encouraged a new personality cult. Two years

[2] See W. Klatt, 'China's economy in the Year of the Cockerel', *ibid.*, September 1981, pp. 350–1.

ago, Hua lost both his senior positions to Deng's chief disciples, Hu Yaobang and Zhao Ziyang. Now he was stripped of his two remaining significant posts on the Standing Committee and in the Politburo. But when the name list for the Central Committee was published, Hua was still on it.

Hua may survive for years on the Central Committee, now that the bloody purges of the Cultural Revolution are no longer in vogue. But he can still be regularly attacked, as he was by Hu in his address, or by the *People's Daily* more recently (18 October), for his 'whateverism'—mindless devotion to Maoism, no matter what—and for his grandiose economic schemes which nearly bankrupted China in 1978. If the Dengists suspect, moreover, that Hua is becoming a focus for their many adversaries throughout the Party, the army and the bureaucracy, he may vanish altogether, without losing his life, as did Deng's other main rivals after his own return from the political grave in 1977.

Nor did Hu Yaobang allow the 12th Congress delegates to forget that he now filled the shoes of ex-Chairman Hua, although he had already announced that the office of Chairman had been dissolved. Hu did not need to mention Hua's name—in China's unique political etiquette, 'naming' is done only when the victim is thoroughly disgraced, not merely on the way down. It was equally unnecessary to remind the comrades that as the Gang of Four's Minister of State Security, Hua had directed Deng's second arrest in 1976.

A bigger and more genuine surprise at the Congress was Hu's announcement of a new economic target for the Year 2000: quadrupling production, or increasing the gross annual industrial and agricultural value, from US $370 billion in 1980 to $2,800 billion within 18 years. Even then, Hu cautioned, the country's per capita income will be low, but its total strength, especially in defence, will be much greater. Take-off would come after the expiration of the current Five-Year Plan, in 1985.

This amazing forecast, which entails an annual average growth rate of over 7 per cent for two decades, provoked gasps of disbelief from some leading Chinese economists, which the security apparatus would normally have been able to conceal. This time, apparently, the gasps were too loud. 'A small handful of comrades', said the *People's Daily*, had made the mistake of equating Hu's goal with the lunatic guarantees of the 1958 Great Leap, and the 'New Great Leap' overseen by Hua Guofeng in 1978. It was important to blacken the 1958 plans thoroughly because after their enactment millions of Chinese had starved; when the Party's paper had made that distinction clear, it proceeded to savage Hua's 'fantastic' slogans of 20 years later for pointing in the same dangerous direction.

### Army versus Party?

A handful of ivory-tower economists and a humiliated Hua Guofeng pose relatively little threat to the Dengists. The People's Liberation Army is quite another thing.

Just before the Congress opened on 1 September, a collision between the Chinese army and the post-Mao leadership brought the ever-present Maoist hatred of intellectuals to the surface. The clash began when the newspaper of the

armed forces, *Liberation Army Daily*, in its issue of 28 August attacked the Party's 'incorrect workstyle', only to provoke a counterblast from the authorities so vigorous that the paper was obliged to grovel in public by accusing itself of 'pernicious "leftist" ideas'. 'Leftism' in inverted commas is the Dengist code word for the Maoism responsible, in Deng's eyes, for China's 20 years of 'tortuous development'.

In the offending article, Zhao Ziya, an ex-editor of the newspaper, criticized the party's encouragement of intellectuals tainted by the West. In words bound to frighten the intellectual élite who suffered during the Cultural Revolution, he referred to 'bourgeois lackeys' with diplomas. His readers in the army were also reminded of the key Maoist conviction that all ideas, including technology, are associated with particular social classes, so that even automated production lines are nothing but 'weapons for the bourgeoisie to squeeze the sweat and blood out of the proletariat'.

Such anti-intellectualism from the mouthpiece of the army, especially on the eve of the congress, enraged the leadership which is very keen to reassure intellectuals whose services it needs if Hu's optimistic target is to be reached. The Party leaders were in no mood for a wigging from the armed forces. Technology is objective and unconnected with class, says the new un-Maoist creed. The contrite army paper was forced to remind itself that modernization of the armed forces depends on scientific progress, an echo of Deng's often-quoted remark that the days are long gone when all a soldier needed going into battle was a rifle, a bayonet, a grenade and the red, red sun of Mao in his heart.

Zhao's critique, which included references to past literary sniping at the army, encapsulated the discontent of certain military groups fed up with several years of budget cuts, falling enlistments and dimmed charisma since the 1980 Gang of Four trial, at which army, air force and navy commanders were convicted of treason and of conspiring to murder Mao Zedong.

Deng, one of whose jobs is heading the Party's Military Affairs Commission, had steadily and publicly doubted the reliability of the army, some of whose commanders, it has been charged, 'cannot distinguish right from wrong'. In case any soldier missed the point, the disgraced editors added: 'It is extremely important for the army—the army newspaper included—to obey the Party's leadership.'

The Dengists must hope for a tractable army because, as one commentator put it, 'the Politburo now looks like a reunion of army veterans from the Long March.' Twelve of its 25 members survived that ordeal, the greatest honour in China. Three of them are octogenarian marshals. Two serving generals were added to the Politburo, where there are now eight, and 50 more sit on the Central Committee, making up the single largest professional bloc. Three of the 11 regional military commanders have recently been replaced with loyal supporters of Deng and the remaining eight must be very anxious. The replacement of the Defence Minister, Geng Biao, by Zhang Aiping, which was announced in Peking on 19 November, is also considered to have strengthened the Dengists.[3]

[3] However, the departure of the Foreign Minister, Huang Hua, announced at the same time, should not be seen in this light as it was almost certainly due to health reasons.

**Balance-sheet**

How, then, do we mark Deng Xiaoping's score-card after the 12th Party Congress?

His own leadership remains as secure as is possible in China, where falls can be sudden. His allies and protégés dominate the Politburo and its Standing Committee. He is well placed to oversee the armed forces from his position as Chairman of the Military Affairs Commission, and during the Congress Deng appointees strengthened his hand. The appointment of Yu Qiuli to the army's top political job is a key shift in favour of Deng and his supporters. Hu Yaobang's report emphasizes Deng's judgements on Mao, the Party, the economy, the military and the importance of discipline. The new Party Constitution abolishes the post of Chairman, reducing somewhat the chances of another dominating personality at the apex of power. The highest Dengist priority—production—underlay all the proceedings, perhaps to an absurd degree when Hu Yaobang disclosed the heroic targets for output by the Year 2000.

The supreme leadership's reputation for clinging to personal power despite professions to the contrary was reinforced during the Congress by a quotation from a Tang dynasty poem. When Marshal Ye Jianying said, 'The phoenix chick sings sweeter than the older birds', it was his quaint way of hinting to his elderly comrades that they should 'withdraw to the second line'. But Ye, who is 85, had no intention of taking his own advice, giving the excuse that his constant pleas to retire had been turned down by the other leaders. This makes nonsense of the assertions by China's élite that age must make way for youth. The propagandists who drew attention to the larger number of Central Committee members, 'elected' for the first time, also underlined the number of those under the age of 60. But when the Congress ended, Ye, Li Xiannian and Chen Yun (both aged 77), and Deng himself (aged 78), remained on the ruling Standing Committee, joined by the two relative youngsters, Hu Yaobang, 67, and Zhao Ziyang, 63. The Party Vice-Chairman and economic wizard, Chen Yun, after ritually calling for fresh blood at the top, signalled his true intentions by observing that 'old comrades cannot leave the leading bodies all at once'. Chen will also supervise the re-registration of Party members from his post as Chairman of the Disciplinary Commission. After a debate on retirement, which Deng plainly lost, another Politburo member and constitution drafter, Hu Qiaomu, declared that no restrictions on tenure would be set up for top officials, each of whose term of office would be determined by 'special conditions'.

The determining 'condition' of the four oldest members of the Standing Committee is that each is a revolutionary hero. In Ye's case, he is so bullet-proof that during the Cultural Revolution, when other leaders were falling about him, some fatally, he glided through the entire decade unscathed, turning on the Gang of Four at just the right moment to participate in their arrest. Although Ye is sometimes identified as one of Deng's adversaries, especially because of his strictures on the army, the Marshal voted for Deng's 1977 rehabilitation and in 1979 delivered the first comprehensive attack on the Cultural Revolution.

The fact is that China's greatest heroes are nearly impossible to dislodge, unless

there is a full-blooded political tidal wave in which hardly anyone is secure. And like Ye, even during the Cultural Revolution, Li Xiannian and Chen Yun were too glorious to be smashed; Deng was sheltered by his comrades in the army, although for a period he was compelled to do menial tasks. All that the impatient young cadres of 55 to 65 can count on is that sooner or later the toughest veterans too 'go to meet Marx'. Even the much despised Hua Guofeng can linger on in the Central Committee; his tattered status as Mao's mysteriously designated heir affords him some protection from a leadership which, for the time being, does not shoot its enemies.

But where Deng, like all his comrades at the Congress, failed to give decisive directives was on population control. The centre still shrinks from enacting the regulations already in force in many provinces, where compliance is so patchy that the population still rises.[4] Peasants want children for social security and to help them in their private allotments for which there is new encouragement from above. The leadership must recall with a shudder what happened to Mrs Gandhi when she enforced sterilization. The last thing the Dengists need is a sullen or outraged peasantry. 'We must do our best to reduce the population', was the best Hu Yaobang could muster. Intellectuals in their thousands, and even a few million party cadres are relatively easy to cow, but hundreds of millions of resentful peasants can overthrow a dynasty.

[4] BBC, *Summary of World Broadcasts*, 5 November 1982, FE/7175/B2/3.

# Franco-African summits: a new instrument for France's African strategy?

EMEKA NWOKEDI

WITH a modest participation of ten African countries at the inaugural gathering in Paris in November 1973, the annual Franco-African summit conference has grown steadily over the years to embrace, as at the last count in October 1982, about 40 African countries, thus emerging as the most important diplomatic forum (besides the Organization of African Unity) where exclusively African or Africa-related issues are discussed. The phenomenal growth in the number and variety of participating countries has belied, at least for the present, the hopes expressed by countries like Senegal for a transformation of this grouping into a 'Francophone Commonwealth'. This article examines the relevance of this forum to the expectations of the participating African states and to French foreign policy goals against the background of its concrete achievements.

The inauguration of the Franco-African summits in 1973 was very timely. It came as a response to several domestic and international situations which confronted African states in their foreign policy options. By 1973, the regional Afro-Malagasy and Mauritius Joint Organization (OCAMM), inspired and sustained by the French, was tottering.

After the ninth summit conference of this body at Port Louis (Mauritius) in May 1973, which undertook to 'redefine the new task of OCAMM',[1] it was evident that the role of this organization as a politico-diplomatic force was played out. The vacuum created as a result of its diminished importance as a francophone political organ could clearly dent France's image in Africa. It was not surprising, therefore, that, with the exception of Mali, all the countries which inaugurated the Franco-African summit had been at Port Louis and represented, as it were, the pillars that still supported OCAMM.

The uneasiness within OCAMM was only a reflection of a deeper malaise in the bilateral relations between France and its francophone African partners—the so-called '*crise de la co-opération*'. Several African states had indicated their willingness to review the co-operation accords binding them to France whose provisions on certain matters (defence, finance and strategic materials, for example) infringed their sovereignty. To these concerns could be added the severe drought that hit mostly the sub-Saharan francophone states (Senegal, Mali, Upper Volta, Niger and Chad) and the proposed enlargement of the African states

[1] *Africa Research Bulletin* (Exeter, Devon), Economic series, Vol. X, No. 4, May 1973, p. 2707.

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associated with the European Economic Community under the Yaoundé convention. The African states gathered in Paris in 1973 were visibly worried over the prospects held out by this enlargement, especially by the non-reciprocity option[2] canvassed by Nigeria. It was expected, therefore, that the Franco-African summit conference of November 1973 would be—as indeed it was—an opportunity for concerted action between these partners on some of the issues of mutual interest.[3]

It has to be noted that, whereas some francophone states such as Guinea, Madagascar and Cameroun (bilingual) have never attended these summits for varying reasons, some anglophone, lusophone and Arab states have participated over the years, in keeping with the option adopted by the French from the outset that the gathering should encompass much more than the francophone African countries. However, by virtue of their 'observer' or 'invited' status, these countries are in a somewhat different category from the 'core' states which participate in the closed-door sessions with the French President from which others are excluded. How, then, does the Franco-African summit conference fit into the African diplomatic setting? Is it a new instrument for France's African diplomacy or is France itself an instrument in the hands of the African states?

### New concept

From its performance to date, the Franco-African summit stands out as both a sounding board for France's African diplomatic initiatives and an assembly for legitimizing them. It is, more importantly, a forum for the enunciation of 'new' French ideas on the African condition, a display that ultimately reinforces the image of France as a privileged spokesman between the West and the states of the African continent.

At the fourth summit at Dakar in April 1977, France's military intervention in Zaire was endorsed by the conference (though not in the final communiqué) which equally sought to establish an 'inter-African intervention force that could counter Soviet-Cuban penetration of the continent'.[4] Expressing surprise that certain African states harboured misgivings about the French intervention, Aboud Diouf, then Prime Minister of Senegal, told *Le Monde* that inaction on the part of the West would 'run the risk of seeing the whole of Africa become Communist'.[5] On the strength of the favourable reception of his military initiative by francophone allies, the French President, Giscard d'Estaing, was only too willing to send in his paratroopers into Shaba in 1978, three days before the opening of the fifth Franco-African summit in Paris.

The security of the African continent has been, in the light of these developments, a major pre-occupation of the French government. Warning Africans and Europeans alike against the danger of being absorbed ('*englobés*') in the sphere of

[2] Senegal was then insisting that the non-reciprocity clause was 'dangerous'. See *ibid.*, Economic series, Vol. X, No. 7, 31 August 1973, p. 2826.

[3] In his address to the conference, President Georges Pompidou expressed the wish that 'we [the assembled states] should succeed in defining a common position' to the problem posed by the enlargement. *Afrique Contemporaine* (Paris), No. 70, November–December 1973, p. 17.

[4] *Le Monde*, Paris, 20–23 April 1977.

[5] Quoted in *Afrique Contemporaine*, No. 91, May–June 1977, p. 21.

influence of the super-powers and, *ipso facto*, that of a 'more or less direct dependence on them', the French leader proposed that 'We [Africans and Europeans] should unite our destiny in order to create a middle way for the middle continents of Europe and Africa.'[6] Although Giscard d'Estaing echoed here the well-known Gaullist principle of systematic opposition to hegemony in France's foreign policy, his subsequent actions contradicted his stance. While he sought to portray Europe as a non-committed Third Force, 'the modalities of French interventions in Zaire' had been defined 'in close collaboration with the United States'.[7] France's objectivity in searching for a common Euro-African destiny was put in doubt by its role in sponsoring jointly with the United States a five-nation meeting in Paris (including also Belgium, Britain and West Germany), which discussed African security and economic issues in June 1978 in the wake of the Shaba incidents.[8]

Be that as it may, decisive and consistent French military support given to beleaguered friendly regimes on the African continent seems to have convinced especially the hesitant states that France could be relied on to do the same on the economic front. Since the early 1970s, successive French governments have never failed to avail themselves of an opportunity to stress the need for a restructuring of the international economic order. Discussions at almost all the summits held from 1976 onwards, have made constant references to worsening economic conditions in the African countries and the need to arrest this decline. While France's sincerity in advocating a trilateral co-operation[9] between African states, technologically advanced Europe and the rich Arab oil-producing states may not be in doubt, it is remarkable that by 1982, the socialist government of François Mitterrand was still promising to raise France's aid package to the Third World from 0·35 per cent to 0·70 per cent of its gross national product in line with the 1969 Pearson Report—a promise first made by Giscard d'Estaing at the third Franco-African summit in 1976.[10]

To France's credit, however, the African Solidarity Fund, established by this forum in January 1977, is a welcome, even though meagre, supplement to the aid received by these participating African states. As a forum for concerted pressure, the summit conference has been used by African states to get more aid commitments from France and its Western partners. These commitments have correspondingly increased their indebtedness to and dependence on the same group of countries. Otherwise, how else should one interpret the creation on 28 December 1979 in Paris at French initiative of an organ—Concerted Action for Development in Africa (CADA)—which associates the United States, Canada and four European powers (Britain, Belgium, France and West Germany) in a sectorial division of Africa for a 'more rapid' development of the continent according to the mandate of the third Franco-African summit.[11]

[6] *ibid.*, personal translation.
[7] Daniel Bach, 'Dynamique et contradictions dans la politique africaine de la France', *Politique Africaine* (Paris), Vol. II, No. 5, February 1982, p. 62.
[8] *Keesing's Contemporary Archives* (Edinburgh), Vol. XXIV, 11 August 1978, pp. 29130–1.
[9] *ibid.*, Vol. XXV, 3 August 1979, p. 29751. [10] *ibid.*, Vol. XXII, 23 June 1976, p. 27776.
[11] *ibid.*, Vol. XXVI, 15 February 1980, p. 30092.

Developmental issues apart, the Franco-African summit has played a quasi-judicial role in recent times. Following allegations about the massacre of school children against Emperor Bokassa, an issue that nearly marred the Kigali summit in May 1979, the conference decided to set up a five-nation commission of inquiry into these incidents. The disclosures made by this commission, as well as the growing outrage against the tyrannical Bokassa regime, no doubt strengthened the hands of the French government in abetting the overthrow of the Emperor.

Paradoxically, the same conference prevailed on France to get the European Community to drop the inclusion of human rights clauses in the Lomé II convention.[12] With regard to Chad, the conference has been used from 1979 to this day to accord or withdraw 'recognition' to and from the rival factions by the simple act of granting official status to any one Chadian delegation. Thus, at the Kinshasa summit in October 1982, Hissène Habré was recognized as the legitimate President of Chad.[13]

There can be no doubt that the institution of the Franco-African summits represents a marked shift from the conservative direction of General de Gaulle's exclusively francophone African policy. The enlargement of the conference to include, among others, the Marxist lusophone states, allies of the extra-African powers once pilloried at Dakar, must be seen as an astute diplomatic move designed to reconcile the security perturbations of all within a more flexible framework. This move may not by itself constitute an adequate safeguard against destabilization, but the opportunity afforded for a better appreciation of conflicting national sensitivities (especially over Namibia) cannot be ignored. Having conceded that these annual summits reflect France's new willingness to go beyond 'la francophonie', it should be admitted that the essentials of the French presence in Africa are still to be found, first, in the separate bilateral arrangements linking France with several African states and, secondly, in the exclusively francophone multilateral arrangements which are still operational.

From the analysis made so far it should be obvious, in spite of assertions to the contrary by the former French Foreign Minister, Louis de Guiringaud,[14] that France is not in a position to sustain the various dimensions of its ambitious African policy. The task to make Africa 'safe' for the West entails necessarily, as has been shown, a close collaboration between France, its West-European allies and the United States. The Franco-African summit remains useful as a forum for a 'free exchange of ideas', including the latest Mitterrandian concept of 'generalized co-development',[15] but the concretization of such ideas must be seen to entail the responsibility for much more than this forum of limited scope.

[12] *ibid.*, Vol. XXV, 3 August 1979, p. 29751. Also Carol Cosgrove Twitchett, 'Lomé II: a new ACP–EEC agreement', *The World Today*, March 1980.

[13] For the background to Habré's victory in the civil war, see Julian Crandall Hollick, 'Civil war in Chad', *The World Today*, July–August 1982.

[14] Louis de Guiringaud, 'La politique africaine de la France', *Politique Etrangère* (Paris), No. 2, June 1982, p. 443.

[15] Supposed to imply a superior level of relationships compared with '*co-operation*', the concept of '*co-développement generalisé*' was enunciated during Mitterrand's maiden official trips to Mexico and Africa. See *Le Monde*, 21 October 1981, p. 3, and *Jeune Afrique* (Paris), 2 June 1982, p. 25.

## Conclusion

As an additional tool, therefore, at the service of France's African diplomacy, the annual Franco-African summit conference has provided confirmation of the new trends in French African policy. So far, France has most adroitly made use of this forum to project itself as a privileged interlocutor between African states and the West on issues of mutual interest. For their part, the participating African states have sometimes successfully used the forum to influence France's (Western Europe's) aid policy towards them, though it is doubtful whether the same result could not be achieved through the existing Afro-European bilateral and multilateral structural links. However, because France, given its own obvious limitations, has co-opted the United States and some other Western states for the realization of one or two projects conceived at these summits, the *raison d'être* of the forum appears reinforced in the eyes of the participating African states. Yet, on balance, a more convincing conclusion is that its propaganda value far outstrips its concrete achievements.

# Japan and ASEAN: a special relationship?

RADHA SINHA

THIS article argues that Japan's relationship with the Association of South-East Asian Nations (ASEAN) is basically colonial, in both political and economic terms; i.e. while Japan has penetrated their economies, it does not provide a reasonable access to their products in its own domestic markets. The United States and the European Community (EC) have begun to stress this aspect of Japan–ASEAN relations to prove that they are not the only ones who are complaining. For example, a year ago a report on trade in the Far East prepared for the US House of Representatives suggested that trade officials and businessmen in Hong Kong, Singapore, Malaysia and Thailand invariably [the actual term used was 'without exception'] said that 'Japan was an unfair trader, that trade was a one-way street, and that the Japanese simply do not want to import.'[1] Recently, similar statements have been made by the EC. Last April, a Commission document argued that 'Besides the United States and other developed countries, there have been reports that industries in developing countries in the region have also experienced difficulties in placing their goods, even when competitively priced, on the Japanese Market.'[2]

The present author's worry is that this article may be used as one more proof of Japan's reluctance to be fair to its trading partners by other developed countries far from blameless themselves. It is true that Japanese attitudes towards the developing countries, especially those from the South-East Asian region, are difficult to defend. They have been criticized even by many Japanese political leaders and academics. Nevertheless, attack~~r~~ on Japan by countries such as the United States and the European Community are equally indefensible, for at least two reasons. First, their own behaviour and attitudes towards developing countries are just as deplorable (at best there may be a difference of degree, but not in kind). The EC's negative attitude towards the renewal of the Multi-Fibre Agreement and the Reagan Administration's unilateral rejection of the Law of the Sea agreed after several years of negotiation are but two recent examples. Secondly, in the trade conflict between Japan and the West, both the International Monetary Fund (IMF) and GATT assessments agree that Japan is now more open than the US and the EC.

## ASEAN's importance for Japan

In 1981, ASEAN accounted for nearly 10 per cent of all Japanese exports and

[1] US House of Representatives, Subcommittee on Trade of the Committee of Ways and Means, *Report on Trade Mission to Far East*, 21 December 1981, p. 17.

[2] Commission of the Economic Communities, 'Representations by the European Community Pursuant to Article XXIII, Paragraph 1, of the General Agreement on Tariffs and Trade (GATT)', 7 April 1982 (mimeo.), p. 9.

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14·6 per cent of total Japanese imports. ASEAN's share of Japanese exports was as high as 80 per cent of Japan's exports to the EC and nearly two-thirds of Japanese exports to the whole of Western Europe. In terms of Japanese imports, ASEAN supplied nearly 71 per cent more than the EC and nearly 27 per cent more than all Western Europe. For obvious reasons, ASEAN's imports into Japan were only one-third of those from the Middle East and North Africa.

Between 1951 and 1980, US$7 billion worth of Japanese investment went into ASEAN, representing almost one-fifth of Japan's total foreign investment. Only the US attracted more, with nearly US$9 billion representing approximately one-quarter of Japanese direct foreign investment. As against this, the United Kingdom and Australia each attracted a little less than 6 per cent.

Thus, in terms of both trade and investment, ASEAN is important for Japan—taken together with Hong Kong, Taiwan and South Korea, almost as important as the United States.

However, ASEAN's importance as a market is somewhat exaggerated. It is true that GNP growth rates in its members countries have been much faster than in the US and other Western market economies and even faster than in Japan. For instance, between 1970 and 1980 the rate of growth in Japan was around 5·4 per cent per annum, against 14·4 per cent for Singapore and between 7·0 and 8·0 per cent for the other four ASEAN countries. Moreover, the size of ASEAN's population at around 264 million in 1981 was just above twice that of Japan. But the GDP total in ASEAN is still rather low at US$172·8 billion, which is almost one-sixth of Japan's. ASEAN's high rates of growth are a significant achievement, but the market potential for Japanese products, especially the very sophisticated ones, is going to be rather limited in the foreseeable future.

ASEAN countries, particularly Indonesia, Malaysia and Thailand, are of interest to Japan more for their raw materials than for their potential value as a market. These countries are also seen as a cheap source of labour, although, with growing unemployment, the pace of automation and the use of robots in Japan, the scarcity of labour will not be an important consideration for the Japanese in the foreseeable future. On the other hand, the scarcity of land and soaring land prices may push Japanese investment to these countries. Environmental considerations have also played some part in shifting some Japanese industries to developing countries.

Clearly, Japan's interest lies in keeping a degree of economic and political influence in the region, but this is not indispensable for its survival. In fact, Japan has diversified its sources of raw materials so much that ASEAN's share in Japanese imports is moderate. Japan takes from ASEAN only 8 per cent of its food imports, 16 per cent of metallic raw materials, 30 per cent of other raw materials and only 19 per cent of mineral fuel. (Table 1.) The importance of ASEAN as a market for manufactures is rather limited. It takes only 9 per cent of Japanese non-metallic products, 4 per cent of other light industrial production, 9 per cent of textile manufactures, 17 per cent of chemicals, 13 per cent of metal and metal products, and 9 per cent of machinery and other equipment including transport. (Table 2.)

TABLE 1. *ASEAN's Share in Selected Japanese Imports, 1980*

| | (In percentages) |
|---|---|
| Foodstuffs and beverages | 8·2 |
| Metallic raw materials | 16·1 |
| Other raw materials including textiles | 29·7 |
| Mineral fuel | 18·9 |
| *Manufactured products | 4·5 |
| Chemicals | 2·7 |
| Machinery and transport equipment | 4·4 |
| Textiles products | 2·0 |
| Other products | 6·0 |

(Calculated on the basis of Japan External Trade Organization (JETRO), *White Paper on International Trade*, 1981.)

* Manufactures include chemicals, machinery and transport equipment, textiles manufactures and other manufactures.

TABLE 2. *ASEAN's Share in Selected Japanese Exports, 1980*

| | (In percentages) |
|---|---|
| Foodstuffs and beverages | 12·4 |
| Raw materials and fuels | 3·1 |
| Textiles manufactures | 9·1 |
| Non-metallic products | 8·6 |
| Other light industrial goods | 4·4 |
| Chemicals | 16·7 |
| Metals and metal products | 13·1 |
| *Machinery and equipment | 8·9 |
| Transport equipment | 7·4 |

(Calculated on the basis of JETRO, *op. cit.*, 1981.)

* Includes transport equipment.

Japan is certainly ASEAN's largest single trading partner, even though the overall Japanese share is only 27 per cent. Since 70 per cent of ASEAN's exports continue to be primary products, some of which (i.e. petroleum, animal and vegetable fats, tin) are in demand by other industrialized countries as well, ASEAN's survival does not depend on close trade links with Japan either.

## Colonial economic relationship

Japan's economic relationship with ASEAN can be described as basically 'colonial'. This applies to trade and foreign investment as well as aid. More than three-quarters of Japanese imports from the region are primary products—food, raw materials and mineral fuel. In the case of Indonesia, these amount to more than 95 per cent; for the Philippines, they are nearly 90 per cent; for Malaysia, 85 per cent; and for Thailand around 75 per cent. Against this, over 80 per cent of Japanese exports consist of heavy and chemical products, and 10 to 14 per cent of light industrial goods.

This type of trading relations is the result of the availability of natural resources in ASEAN countries and their relative underdevelopment compared with Japan's much higher stage of economic development. It could be argued that the present trading relations between ASEAN and Japan are dictated by an appropriate

'division of labour'. But 'division of labour' should be seen in a dynamic context: after all, Japan did not freeze its industrial structure to the realities of the 19th and early 20th centuries. It had a comparative advantage in primary products, and changed its entire industrial structure under direct state patronage and as a highly protected economy. So did the United States, Germany and France. Even Britain's early economic development took place under conditions of high protectionism; 'free trade' became the leading principle only when the industrialization of the country was well established.

Most developing countries would like to diversify their industrial structure. As indicated above, Japan will transfer some processing of raw materials to the places of origin, as many of the processing industries, such as iron ore smelting, require too much fuel and create environmental pollution. But when it comes to more sophisticated products, such as television sets, cameras and automobiles, it is not clear how far Japan would be ready to open its markets to developing countries at the same time as liberalizing the access of imports from the United States and the European Community. There is a distinct possibility that Japan will enter a phase in which it will impose 'voluntary' restrictions on developing countries. Indeed, it is already doing so under the Generalised System of Preferences (GSP) and its concessions are as niggardly as those of the US and the EC.

The tensions this situation is likely to generate have already been reflected in the developing countries' complaints about their trade deficits with Japan. Korea, Taiwan, Hong Kong, Singapore and Thailand had serious trade deficits with Japan in 1981, the total deficit for Thailand, Singapore and the Philippines in that year being as high as US$4 billion. The overall surplus of US$5·8 billion for ASEAN as a whole was due largely to the huge surplus of US$9 billion for Indonesia alone. Malaysia also had a surplus with Japan, but this amounted to only US$0·5 billion. Singapore's deficit of US$2·5 billion was greater than the UK's trade deficit with Japan. Singapore has therefore complained bitterly about the Japanese treatment of its manufactures. This is how one of the senior officials of its Ministry of Trade and Industry recently put it:

> 'In 1980, the export price of refrigerators from Singapore was only 46 per cent of the price that they [Japan] are retailing for in Tokyo, but we are not able to sell a single refrigerator to Japan. Similarly, the export price of our vacuum cleaners was only 42 per cent of the retail price in Tokyo, and we also were unable to sell a single one in the Japanese markets. Our colour TV sets cost only 40 per cent of the retail price in Tokyo, but we only sell about 400 sets here. The same story goes for clothing, footwear and other manufactured goods.'[8]

Singapore feels aggrieved for various other reasons. It was denied the quotas for raw silk imports which Japan granted to China and Korea. Singapore's medical goods and processed foods such as frozen pork have been refused entry as a result of unnecessarily harsh inspection procedures and quarantine regulations. Often orchids exported from Singapore have been destroyed or confiscated by the

[8] Speech of Ngian Tong Dow, Permanent Secretary, Ministry of Trade and Industry (Singapore), 25 August 1981 at a Global Community Forum Meeting in Tokyo, quoted in US House of Representatives, *Report on Trade Mission to Far East* (1981), *op. cit.*, p. 18.

Japanese customs authorities.[4] Thailand complains of similar problems with the entry of tapioca flour; fresh, chilled or frozen squids; and fresh shrimps or even glass sheets produced by Thai-Japanese joint venture.[5] Malaysian grievances relate to high import duties, escalation of import dues on processed primary products and/or restrictive quotas on canned pineapples, plywood, sawn timber and footwear and textiles.[6] The Philippines' government finds the duties on fresh bananas (which range between 35 and 50 per cent, as against only 10 to 20 per cent for other fruits and vegetables) excessive. It also complains that while Japanese-made banana carton boxes used for banana imports into Japan are allowed duty free, Philippine-made carton boxes have to pay duties ranging between 40 and 50 per cent.[7] The Philippines, like other developing countries, faces serious restrictions with regard to the GSP treatment, particularly the exclusion of products such as plywood, pineapples, coconut oil, molasses, tobacco, shrimps and prawns.[8] Thus, whether in respect of the escalation of tariffs on processed primary products, health and quarantine regulations or even the import of manufactures covered (and/or excluded) by the provisions of the GSP, Japan's treatment of ASEAN is not very different from that which other developed countries accord to the LDCs.

## Japanese investment and aid

The nature of Japanese investment also underlines the 'colonial' pattern of the relationship. Out of total cumulative foreign investment of US$36 billion in 1980 nearly US$7 billion or almost one-fifth of the total was invested in ASEAN.[9] This was exceeded only by the United States and Canada put together. Of the total share of ASEAN nearly two-thirds was in Indonesia alone. Out of Japan's total investment in Indonesia, 57 per cent was in mining and nearly 35 per cent in manufacturing industry, a major share of which went to metal and non-ferrous metals.[10] In ASEAN as a whole, almost 42 per cent went into mining and 46 per cent into manufacturing. But a substantial part of the latter is processing of raw materials such as iron and steel, non-ferrous metals, chemicals, timber and pulp. The share of textiles was about 9 per cent and that of agriculture, forestry and fisheries only around 3 per cent.

The composition of aid tells a similar story. Nearly 61 per cent of Japan's total aid (to all developing countries) went to development of public utilities, such as transport, which enables the raw materials, processed metals etc. to be carried to

[4] Lim Hua-Sing and Lee Chin-Chao, 'Trade and Development in Singapore—Japanese Relations' (mimeo.), paper given at the Asian Dialogue Osio Conference, 22–23 May 1982, organized by the Japan Centre for International Exchange, Tokyo, p. 22.

[5] Narongchai Akrasanee and Likhit Diravegin, 'Trade and Development in Thai-Japanese Relations' (mimeo.), paper given at the Asian Dialogue Oiso Conference, p. 22.

[6] Zakaria Haji Ahmad and K. C. Cheong, 'Malaysia-Japan Trade: Issues and Prospects for the 1980s' (mimeo.), paper given at Asian Dialogue Oiso Conference, p. 30.

[7] Romoe M. Bautista and Wilfrido V. Villacorta, 'Economic and Political Factors Affecting Philippine-Japanese Trade' (mimeo.), paper given at Asian Dialogue Oiso Conference, pp. 30–1.

[8] *ibid.*, pp. 32–3.

[9] Sueo Sekiguchi, 'Japanese Direct Foreign Investment and ASEAN Economies—A Japanese Perspective' (mimeo.), paper read at Asian Dialogue Oiso Conference, Table 3, p. 55.

[10] Based on *ibid.*, Table 5, p. 57.

the sea ports more easily. Thus, much of this aid is reminiscent of the British railway development in India.

This broad picture is confirmed by the direction of aid. Nearly 18 per cent of total official development assistance (ODA) in 1980 went to Indonesia, 11 per cent to Bangladesh, 10 per cent to Thailand and 8 per cent to Burma. The aid to Bangladesh was primarily humanitarian, but aid to Indonesia, Thailand and Burma was directed to development of raw materials sources and infrastructure. The proportion of agriculture and rural development, particularly social infrastructure, in Japan's aid package is rather small. Recently, however, Japan has announced that it would place more emphasis on rural development, energy, human resources development and promotion of small and medium-sized industries. There is some evidence that, like other developed countries, Japan avoids assisting ASEAN countries in equipping them for their entry into heavy industrialization such as petrochemical manufacturing. A recent case is the refusal by Japan of the Malaysian request for assistance in manpower training under the so-called Human Resources Project, which might have gradually equipped Malaysia for heavy industrialization.[11]

### Colonial attitudes

The 'colonial' economic relationship between Japan and ASEAN is reinforced by Japanese attitudes to the region. Though not openly acknowledged, Japan continues to consider South-East Asia as its political zone of influence, in much the same way as the Europeans tend to see Africa or the United States—Latin America. This was certainly the ethos behind the concept of the East-Asian 'Co-prosperity Sphere', developed in the 1930s with the objective of establishing Japan's regional domination both politically and economically. The chief executive of a major Japanese multinational firm, who thought that 'the old East-Asian Co-prosperity Sphere was essentially right', said that the trouble had been that 'Japan looked only to its own advantage and resentment of this persists'.[12]

Nevertheless, there is no doubt that the members of ASEAN, or for that matter most Asian countries, admire Japan's achievements. The Japanese have proved that countries outside the European cultural sphere can develop and challenge the superiority of the West, which was almost unthinkable in the late 19th century. On the other hand, the Japanese have frequently rejected their 'Asianness': already since the early Meiji era in the second half of the 19th century, slogans such as 'Secede from Asia' became the basic tenets of Japan's ethos. During this period, Japan copied the Western colonial powers and invaded Korea, Taiwan and China; during the Second World War, it overran South-East Asia and, behind the promise of liberating its nations, manipulated and exploited some leading figures of the Asian independence movements.[13] Japan's policies towards South-East

[11] Ahmad and Cheong (1982), *op. cit.*, p. 36.

[12] Quoted in Jon Halliday and Gavan McCormack, *Japanese Imperialism Today* (Harmondsworth: Penguin, 1973).

[13] Japan Economic Institute, 'Japan Relations with Southeast Asia', JEI Report No. 30, 7 August 1981. See also 'Aiming to mate Asean with the Pacific Basin', *Far Eastern Economic Review*, 11 June 1982, pp. 71–2.

Asians, particularly those of Chinese origin, were unduly harsh and wartime memories linger on. Nor is the present treatment of these countries by the Japanese conducive to a close understanding between Japan and ASEAN. Many South-East Asian scholars feel that 'the Greater South-East Asia Co-prosperity Sphere actually exists today.'[14]

Japan's hierarchical view of the world order militates against 'equal' partnership between Japan and developing countries. The Japanese are prepared to accept US leadership and covet membership of the club of the rich North, while most developing countries resent the rich men's club and the impediments it has put in the way of settlement of major international issues concerning the South. In the United Nations, Japan has consistently voted throughout the 1970s and early 1980s with the United States, while the countries of the South see the US, West Germany, Britain and Japan as the major stumbling-block in the way of progress in international matters.

Japanese scholars admit that Japanese individuals and businessmen have not cared particularly about the sensitivities of the South-East Asians. See, for instance, the following: . . . 'the pattern of behaviour of the Japanese people living in these areas, their closed nature and their sticking together by themselves are especially conspicuous. They look down on the native people as if they were inferior, and they do not try to learn the local language. . . In addition to the superiority complex generally harbored by the Japanese people, there is the fact that no matter how outstanding and fine a record a local employee may have he is never appointed to a decision-making position.[15]

Japan has not even come to terms with the nationalistic aspirations of the countries in the region. Most developing countries had to fight for their independence for decades and now jealously guard their sovereignty. Any explicit or implicit attempt to undermine it creates a sense of antagonism in the local population. The anti-Japan riots in Indonesia at the time of Prime Minister Tanaka's visit in 1974 were symbolic. Despite the espousal of a new, more even relationship with South Asia proclaimed by Prime Minister Fukuda, undue interference by the Japanese side has not ceased. One telling example was the ultimatum sent by the *Keidanren* in January 1979 to all top Indonesian economic officials after Indonesia decided to devalue its currency in November 1978. The Federation of Japanese Employers demanded that Indonesia (i) 'Back down on its rigid price controls to allow the higher costs resulting from devaluation to be passed on'; (ii) 'Allow a tax-free revaluation of assets to offset exchange losses'; (iii) 'Loosen local credit for foreigners'; (iv) 'Take steps to promote exports'; (v) 'Improve the general investment climate'. A 'healthy development' of Japanese business in Indonesia, the statement warned, would be jeopardized unless the Indonesians complied.[16]

## Prospects for future co-operation

There is no doubt that ASEAN would like to co-operate with Japan in trade and

[14] Y. Sakamoto, 'The Way of Life for Japan: Status of the People of an Intermediate Nation', *Sekai* (Tokyo), January 1979.
[15] *ibid.* [16] *World Business Weekly*, 26 February 1979.

investment opportunities. But it is highly unlikely that it would join a trading or military bloc with Japan. The latter's attempt to develop some kind of a Pacific Economic Community or a loose organization for Pacific Trade, Aid and Development (OPTAD) is seen by many as a resurrection of the idea of the East Asian Co-prosperity Sphere. Some of the leading exponents of such an idea make no secret of the fact that such an organization is seen as a counterbalance to the growing power in the EC in world affairs. Others regard it as an agency to support and sustain US–Japan–China suspicions of the Soviet Union. See, for instance, a recent statement by a Japanese scholar:

> 'ASEAN and Japan have a vested common interest in not seeing China become overly friendly towards the USSR. Japan and ASEAN also need the US stay the "lesson-teaching" prone hands of China. Both ASEAN and Japan have to accommodate the ups and downs of China's political moves and economic needs.'[17]

Given the present Vietnamese impasse, it is possible that ASEAN tilts towards China. In fact, not all ASEAN countries share equally the suspicion of Vietnam. Thailand, being the front line state, is worried about Vietnamese power, but Indonesia—but for Thai sensitivities—would like to have an understanding with Vietnam. With a significant Chinese population and the past history of trouble with Peking-backed Communist movements, Indonesia, Malaysia and the Philippines have more grounds to suspect China. If the US presence in the neighbourhood is a guarantee against Soviet expansionism, the Soviet presence in the area may be seen as a counterbalance to the potential military threat of Japan and/or of China. A strong Vietnam could even be seen as a buffer between China and ASEAN. The dilemma facing ASEAN was highlighted a few years ago by Singapore's Prime Minister, Lee Kuan Yew:

> 'Our dilemma is acute. If there had been no (Chinese) intervention, we would face Vietnamese supremacy which in this case means Soviet supremacy. If the intervention is over-successful, it means that in ten, fifteen years there will be an assertion of influence, perhaps not amounting to hegemony, by a Communist power that has influence over all guerrilla movements in the countries of Thailand, Malaysia, Singapore and Indonesia.'[18]

It is also difficult to imagine that ASEAN's member countries will not take a page from Japan's own history and strategy and attempt to diversify their own sources of capital, markets and technical know-how. Besides, the United States and the European Community would (and, in fact, should) like to increase their influence in the region. Both culturally and linguistically these countries are closer to Europe and America than to Japan, and the majority of their élite is trained in the United States and other West European countries.

[17] K. Nukazawa, 'Japan–ASEAN Trade Relationship' (mimeo.), a paper given at Asian Dialogue Oiso Conference p. 30.

[18] L. Kuan Yew, *Singapore Bulletin*, August 1979, quoted in Michael Leifer, *Conflict and Regional Order in South-east Asia*, Adelphi Paper No. 162 (London: International Institute for Strategic Studies, 1980), p. 16.

Both in terms of trade and investment in the region, the United States has a comparable record to Japan. The US is ASEAN'S second largest (after Japan) trading partner while ASEAN is the fifth largest trading partner of America (after the EC, Canada, Japan and Mexico). The US is the largest foreign investor in the Philippines, Singapore and possibly Malaysia and is second to Japan in Indonesia and Thailand. It has made a special concession to ASEAN with respect to GSP, recognizing ASEAN in March 1981 as a regional association eligible for cumulative treatment under the American GSP. This concession means that the countries of the region can work combined processing operations and still satisfy the 35 per cent requirement of the country of origin provisions.[19]

The European Community also has revived its interest in ASEAN. In 1960, the EC's share of ASEAN's total trade was around one-fifth. By 1977, it had shrunk to nearly one-seventh. In terms of foreign investment, the EC share is only 14 per cent. An attempt is now being made to regain the lost ground. The Community is interested in diversifying its sources of raw materials and in finding new markets for European capital goods in the region. Germany, in particular, has shown itself keen to reinvigorate the relationship. The German share of ASEAN's trade with the EC countries is the largest—as much as the British and Dutch put together. ASEAN countries have responded favourably, although the EC's currently negative attitude towards the Multi-Fibre Agreement is a deterrent to the improvement of the relationship. A separate EC agreement with Thailand has further alienated ASEAN from the Community.

Australia sees ASEAN as a buffer against the wave of Communism in the region and for this reason is putting considerable efforts into both economic and military sectors of ASEAN.

On the other hand, provided some solution can be found to the Vietnam problem, ASEAN nations, with their newly acquired capability in manufacturing, might well come to see that the Communist countries can provide an expanding market for their manufactures. India's example has shown that Communist countries can be a large market for light consumer goods such as textiles, leather goods and similar manufactures. It has also shown that such a trade partnership does not necessarily lead to the surrender of India's non-alignment, even though sometimes it may mean muted criticism of Soviet aggression (for example, on Afghanistan). But Japan itself (or Britain, even under a Labour Government) did not openly criticize America for military excesses in Vietnam.

## Conclusion

On the whole, from ASEAN's point of view, or for that matter any developing country's point of view, the existence of rich-power rivalry is an advantage regarding both trade and investment. The race for influence in the region is going to be increasingly intense, not only between Japan and the West but also between the West and the Communist countries. In such a situation, it may be a mistake for ASEAN to tie itself down to any one country or even a power bloc. By non-alignment and participation in the United Nations system, particularly as active mem-

[19] US House of Representatives, *Report on Trade Mission to Far East* (1981), *op. cit.*, p. 68.

bers of the group of '77', ASEAN countries can reap the advantages of rich-power rivalry as well as benefit from the new campaign for 'collective self-reliance' among the developing countries. Their recent performance in the United Nations shows that the members of ASEAN are becoming adept at such international diplomacy. Under these circumstances, Japan will have not only to divert increasing resources to ASEAN to placate it, but also to modify its attitude towards a hierarchical view of international society. Japan's efforts at proving its 'Asianness' in the face of growing criticism from Western countries and their 'ganging up' against Japan in all world fora will continue to be suspect in the eyes of the developing world as expediency rather than showing a genuine change of heart. Therefore, at least for the foreseeable future, Japan will be in a 'no-win'[20] situation in its relation not only with ASEAN but with all its Asian neighbours.

[20] Franklin Weinstein's Statement quoted in 'The Five are growing faster than Japan', *Far Eastern Economic Review*, 11 June 1982, p. 78.

PRINTED IN ENGLAND BY POPPER & COMPANY LTD, WELWYN GARDEN CITY, HERTFORDSHIRE

# COOPERATION AND CONFLICT

## NORDIC JOURNAL OF INTERNATIONAL POLITICS

Published quarterly for the Nordic Cooperation Committee for International Politics, including Conflict and Peace Research, by Universitetsforlaget, Journals Dept., Oslo, Norway. It is the only journal in the English language devoted to studies of the foreign policies of the Nordic countries and to studies of international politics by Nordic scholars.

The subscription price per volume (1982 rates), payable in advance, is: Institutions: US $22 (N.kr. 120,–), Individuals: US $17 (N.kr. 96,–), Students: US $11 (N.kr. 60,–).

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Orders can be placed with Universitetsforlaget, Subscription Division, P.O. Box 2959 Tøyen, Oslo 6, Norway, and US Office: P.O. Box 258, Irvington-on-Hudson, NY 10533, USA.



Contents Vol. XVII, No. 1, March, 1982: